



General Assembly

***Amendment***

***February Session, 2012***

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Offered by:  
SEN. FONFARA, 1<sup>st</sup> Dist.

To: Subst. Senate Bill No. 415

File No. 456

Cal. No. 342

**"AN ACT CONCERNING THE OPERATIONS OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION, THE ESTABLISHMENT OF A COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM, WATER CONSERVATION AND THE OPERATIONS OF THE CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (f) of section 16-2 of the 2012 supplement to  
4 the general statutes is repealed and the following is substituted in lieu  
5 thereof (*Effective July 1, 2012*):

6 (f) The chairperson of the authority, with the approval of the  
7 Commissioner of Energy and Environmental Protection, shall  
8 [prescribe the duties of the staff assigned to the authority in order to]  
9 (1) conduct comprehensive planning with respect to the functions of  
10 the authority; (2) [coordinate the activities of the authority; (3)] cause  
11 the administrative organization of the authority to be examined with a  
12 view to promoting economy and efficiency; [(4)] and (3) organize the

13 authority into such divisions, bureaus or other units as necessary for  
14 the efficient conduct of the business of the authority and may from  
15 time to time make recommendations to the commissioner regarding  
16 staff and resources. [~~;~~ (5)] The chairperson of the authority, in order to  
17 implement the comprehensive planning and organizational structure  
18 of the authority pursuant to this subsection, shall (A) coordinate the  
19 activities of the authority and prescribe the duties of the staff assigned  
20 to the authority; (B) for any proceeding on a proposed rate amendment  
21 in which staff of the authority are to be made a party pursuant to  
22 section 16-19j, determine which staff shall appear and participate in the  
23 proceedings and which shall serve the members of the authority; [(6)]  
24 (C) enter into such contractual agreements, in accordance with  
25 established procedures, as may be necessary for the discharge of the  
26 authority's duties; [(7)] (D) subject to the provisions of section 4-32, and  
27 unless otherwise provided by law, receive any money, revenue or  
28 services from the federal government, corporations, associations or  
29 individuals, including payments from the sale of printed matter or any  
30 other material or services; and [(8)] (E) require the staff of the authority  
31 to have expertise in public utility engineering and accounting, finance,  
32 economics, computers and rate design. Staff shall be assigned to the  
33 authority in the same manner as staff is assigned to any state agency.

34 Sec. 2. Section 16-19ff of the general statutes is repealed and the  
35 following is substituted in lieu thereof (*Effective from passage*):

36 (a) Notwithstanding any provisions of the general statutes to the  
37 contrary, each electric company or electric distribution company shall  
38 allow the installation of submeters at a recreational campground,  
39 individual slips at marinas for metering the electric use by individual  
40 boat owners, in any commercial, industrial or multifamily residential  
41 building or facility in which the electric power or thermal energy is  
42 provided by a Class I renewable energy source, as defined in section  
43 16-1, or a combined heat and power system, or in any other location  
44 where such metering promotes the state's energy conservation goals  
45 and protects consumers, as approved by the [authority] department  
46 and shall provide electricity to such campground at a rate no greater

47 than the residential rate for the service territory in which the  
48 campground or marina is located, provided nothing in this section  
49 shall permit the installation of submeters for nonresidential use  
50 including, but not limited to, general outdoor lighting marina  
51 operations, repair facilities, restaurants or other retail recreational  
52 facilities and any other common area of a commercial, industrial or  
53 multifamily residential building or facility. [Service to nonresidential  
54 facilities shall be separately metered and billed at the appropriate rate.]

55 (b) The Public Utilities Regulatory Authority shall adopt  
56 regulations, in accordance with the provisions of chapter 54, to carry  
57 out the purposes of this section. Such regulations shall: (1) Require a  
58 submetered customer to pay only his portion of the energy consumed,  
59 which cost shall not exceed the amount paid by the owner of the main  
60 meter for such energy; (2) establish standards for the safe and proper  
61 installation of submeters; (3) require that the ultimate services  
62 delivered to a submetered customer are consistent with any service  
63 requirements imposed upon the company; (4) establish standards for  
64 the locations of submeters and may adopt any other provisions the  
65 authority deems necessary to carry out the purposes of this section and  
66 section 16-19ee. The authority shall develop an application and  
67 approval process that allows for the reasonable implementation of  
68 submetering at permitted facilities while protecting consumers.

69 Sec. 3. Section 16-6b of the 2012 supplement to the general statutes is  
70 repealed and the following is substituted in lieu thereof (*Effective from*  
71 *passage*):

72 The Public Utilities Regulatory Authority, in consultation with the  
73 [Department] Commissioner of Energy and Environmental Protection,  
74 may, in accordance with chapter 54, adopt such regulations with  
75 respect to: [rates] (1) Rates and charges, services, accounting practices,  
76 safety and the conduct of operations generally of public service  
77 companies subject to its jurisdiction as it deems reasonable and  
78 necessary; [. The department in consultation with the authority may, in  
79 accordance with chapter 54, adopt such regulations with respect to] (2)

80 services, accounting practices, safety and the conduct of operations  
81 generally of electric suppliers subject to its jurisdiction as it deems  
82 reasonable and necessary; [. After consultation with the Secretary of  
83 the Office of Policy and Management, the department may also adopt  
84 regulations, in accordance with chapter 54,] and (3) establishing  
85 standards, in accordance with the Department of Energy and  
86 Environmental Protection's policies, for systems utilizing cogeneration  
87 technology and renewable fuel resources.

88 Sec. 4. Section 16-7 of the 2012 supplement to the general statutes is  
89 repealed and the following is substituted in lieu thereof (*Effective July*  
90 *1, 2012*):

91 The directors and any employees of [the department assigned to]  
92 the Public Utilities Regulatory Authority while engaged in the  
93 performance of their duties may, at all reasonable times, enter any  
94 premises, buildings, cars or other places belonging to or controlled by  
95 any public service company or electric supplier, and any person  
96 obstructing or in any way causing to be obstructed or hindered any  
97 member or employee of the [department] authority in the performance  
98 of his or her duties shall be fined not more than two hundred dollars  
99 or imprisoned not more than six months, or both.

100 Sec. 5. Subsection (c) of section 16-245m of the 2012 supplement to  
101 the general statutes is repealed and the following is substituted in lieu  
102 thereof (*Effective July 1, 2012*):

103 (c) The Commissioner of Energy and Environmental Protection shall  
104 appoint and convene an Energy Conservation Management Board  
105 which shall include representatives of: (1) An environmental group  
106 knowledgeable in energy conservation program collaboratives; (2) [a  
107 representative of] the Office of Consumer Counsel; (3) the Attorney  
108 General; (4) the electric distribution companies in whose territories the  
109 activities take place for such programs; (5) a state-wide manufacturing  
110 association; (6) a chamber of commerce; (7) a state-wide business  
111 association; (8) a state-wide retail organization; (9) [a representative of]

112 a municipal electric energy cooperative created pursuant to chapter  
113 101a; (10) [two representatives selected by the gas companies in this  
114 state; and (11)] residential customers; and (11) the Commissioner of  
115 Energy and Environmental Protection. [Such members] The board  
116 shall also include two representatives selected by the gas companies.  
117 Members of the board shall serve for a period of five years and may be  
118 reappointed. Representatives of gas companies, electric distribution  
119 companies and the municipal electric energy cooperative shall be  
120 nonvoting members of the board. [The commissioner shall serve as the  
121 chairperson of the board.] The board shall elect a chairperson from its  
122 voting members.

123 Sec. 6. Subsection (d) of section 16-245m of the 2012 supplement to  
124 the general statutes is repealed and the following is substituted in lieu  
125 thereof (*Effective from passage*):

126 (d) (1) Not later than October 1, 2012, and every two years  
127 thereafter, the electric distribution companies and gas companies shall  
128 submit to the commissioner a plan to implement cost-effective energy  
129 conservation programs and market transformation initiatives. The  
130 Energy Conservation Management Board shall advise and assist [the  
131 electric distribution] such companies in the development and  
132 implementation of [a comprehensive] such plan, which plan shall be  
133 approved by the Department of Energy and Environmental Protection.  
134 [, to implement cost-effective energy conservation programs and  
135 market transformation initiatives.] Such plan shall include steps that  
136 would be needed to achieve the goal of weatherization of eighty per  
137 cent of the state's residential units by 2030. Each program contained in  
138 the plan shall be reviewed by [the electric distribution company] such  
139 companies and either accepted or rejected by the Energy Conservation  
140 Management Board prior to submission to the [department]  
141 commissioner for approval. The Energy Conservation Management  
142 Board shall, as part of its review, examine opportunities to offer joint  
143 programs providing similar efficiency measures that save more than  
144 one fuel resource or otherwise to coordinate programs targeted at  
145 saving more than one fuel resource. Any costs for joint programs shall

146 be allocated equitably among the conservation programs. The Energy  
147 Conservation Management Board shall give preference to projects that  
148 maximize the reduction of federally mandated congestion charges. The  
149 [Department] Commissioner of Energy and Environmental Protection  
150 shall, in an uncontested proceeding during which the department may  
151 hold a public [hearing] meeting, approve, modify or reject the  
152 comprehensive plan prepared pursuant to this subsection. In the event  
153 that the plan approved by the commissioner contains any provision  
154 the implementation of which requires funding through new or  
155 amended rates, the Public Utilities Regulatory Authority shall conduct  
156 a proceeding to implement such provision in accordance with the  
157 procedures established in section 16-19 to ensure that rates remain just  
158 and reasonable.

159 (2) There shall be a joint committee of the Energy Conservation  
160 Management Board and the board of directors of the Clean Energy  
161 Finance and Investment Authority. The [board and the advisory  
162 committee] boards shall each appoint members to such joint  
163 committee. The joint committee shall examine opportunities to  
164 coordinate the programs and activities funded by the Clean Energy  
165 Fund pursuant to section 16-245n, as amended by this act, with the  
166 programs and activities contained in the plan developed under this  
167 subsection to reduce the long-term cost, environmental impacts and  
168 security risks of energy in the state. Such joint committee shall hold its  
169 first meeting on or before August 1, 2005.

170 (3) Programs included in the plan developed under subdivision (1)  
171 of this subsection shall be screened through cost-effectiveness testing  
172 that compares the value and payback period of program benefits for all  
173 energy savings to program costs to ensure that programs are designed  
174 to obtain energy savings and system benefits, including mitigation of  
175 federally mandated congestion charges, whose value is greater than  
176 the costs of the programs. Program cost-effectiveness shall be reviewed  
177 annually, or otherwise as is practicable, and shall incorporate the  
178 results of the evaluation process set forth in subdivision (4) of this  
179 subsection. If a program is determined to fail the cost-effectiveness test

180 as part of the review process, it shall either be modified to meet the test  
181 or shall be terminated. On or before March 1, 2005, and on or before  
182 March first annually thereafter, the board shall provide a report, in  
183 accordance with the provisions of section 11-4a, to the joint standing  
184 committees of the General Assembly having cognizance of matters  
185 relating to energy and the environment that documents (A)  
186 expenditures and fund balances and evaluates the cost-effectiveness of  
187 such programs conducted in the preceding year, and (B) the extent to  
188 and manner in which the programs of such board collaborated and  
189 cooperated with programs, established under section 7-233y, of  
190 municipal electric energy cooperatives. To maximize the reduction of  
191 federally mandated congestion charges, programs in the plan may  
192 allow for disproportionate allocations between the amount of  
193 contributions to the Energy Conservation and Load Management  
194 Funds by a certain rate class and the programs that benefit such a rate  
195 class. Before conducting such evaluation, the board shall consult with  
196 the board of directors of the Clean Energy Finance and Investment  
197 Authority. The report shall include a description of the activities  
198 undertaken during the reporting period. [jointly or in collaboration  
199 with the Clean Energy Fund established pursuant to subsection (c) of  
200 section 16-245n.]

201 (4) The Department of Energy and Environmental Protection shall  
202 adopt an independent, comprehensive program evaluation,  
203 measurement and verification process to ensure the Energy  
204 Conservation Management Board's programs are administered  
205 appropriately and efficiently, comply with statutory requirements,  
206 programs and measures are cost effective, evaluation reports are  
207 accurate and issued in a timely manner, evaluation results are  
208 appropriately and accurately taken into account in program  
209 development and implementation, and information necessary to meet  
210 any third-party evaluation requirements is provided. An annual  
211 schedule and budget for evaluations as determined by the board shall  
212 be included in the plan filed with the department pursuant to  
213 subdivision (1) of this subsection. The electric distribution and gas

214 company representatives and the representative of a municipal electric  
215 energy cooperative may not vote on board plans, budgets,  
216 recommendations, actions or decisions regarding such process or its  
217 program evaluations and their implementation. Program and measure  
218 evaluation, measurement and verification shall be conducted on an  
219 ongoing basis, with emphasis on impact and process evaluations,  
220 programs or measures that have not been studied, and those that  
221 account for a relatively high percentage of program spending.  
222 Evaluations shall use statistically valid monitoring and data collection  
223 techniques appropriate for the programs or measures being evaluated.  
224 All evaluations shall contain a description of any problems  
225 encountered in the process of the evaluation, including, but not limited  
226 to, data collection issues, and recommendations regarding addressing  
227 those problems in future evaluations. The board shall contract with  
228 one or more consultants not affiliated with the board members to act as  
229 an evaluation administrator, advising the board regarding  
230 development of a schedule and plans for evaluations and overseeing  
231 the program evaluation, measurement and verification process on  
232 behalf of the board. Consistent with board processes and approvals  
233 and department decisions regarding evaluation, such evaluation  
234 administrator shall implement the evaluation process by preparing  
235 requests for proposals and selecting evaluation contractors to perform  
236 program and measure evaluations and by facilitating communications  
237 between evaluation contractors and program administrators to ensure  
238 accurate and independent evaluations. In the evaluation  
239 administrator's discretion and at his or her request, the electric  
240 distribution and gas companies shall communicate with the evaluation  
241 administrator for purposes of data collection, vendor contract  
242 administration, and providing necessary factual information during  
243 the course of evaluations. The evaluation administrator shall bring  
244 unresolved administrative issues or problems that arise during the  
245 course of an evaluation to the board for resolution, but shall have sole  
246 authority regarding substantive and implementation decisions  
247 regarding any evaluation. Board members, including electric  
248 distribution and gas company representatives, may not communicate



249 with an evaluation contractor about an ongoing evaluation except with  
250 the express permission of the evaluation administrator, which may  
251 only be granted if the administrator believes the communication will  
252 not compromise the independence of the evaluation. The evaluation  
253 administrator shall file evaluation reports with the board and with the  
254 department in its most recent uncontested proceeding pursuant to  
255 subdivision (1) of this subsection and the board shall post a copy of  
256 each report on its Internet web site. The board and its members,  
257 including electric distribution and gas company representatives, may  
258 file written comments regarding any evaluation with the department  
259 or for posting on the board's Internet web site. Within fourteen days of  
260 the filing of any evaluation report, the department, members of the  
261 board or other interested persons may request in writing, and the  
262 department shall conduct, a transcribed technical meeting to review  
263 the methodology, results and recommendations of any evaluation.  
264 Participants in any such transcribed technical meeting shall include the  
265 evaluation administrator, the evaluation contractor and the Office of  
266 Consumer Counsel at its discretion. On or before November 1, 2011,  
267 and annually thereafter, the board shall report to the joint standing  
268 committee of the General Assembly having cognizance of matters  
269 relating to energy, with the results and recommendations of completed  
270 program evaluations.

271 (5) Programs included in the plan developed under subdivision (1)  
272 of this subsection may include, but not be limited to: (A) Conservation  
273 and load management programs, including programs that benefit low-  
274 income individuals; (B) research, development and commercialization  
275 of products or processes which are more energy-efficient than those  
276 generally available; (C) development of markets for such products and  
277 processes; (D) support for energy use assessment, real-time monitoring  
278 systems, engineering studies and services related to new construction  
279 or major building renovation; (E) the design, manufacture,  
280 commercialization and purchase of energy-efficient appliances and  
281 heating, air conditioning and lighting devices; (F) program planning  
282 and evaluation; (G) indoor air quality programs relating to energy

283 conservation; (H) joint fuel conservation initiatives programs targeted  
284 at reducing consumption of more than one fuel resource; (I) public  
285 education regarding conservation; and (J) demand-side technology  
286 programs recommended by the [integrated resources plan approved  
287 by the Department] Integrated Resources Plan adopted by the  
288 Commissioner of Energy and Environmental Protection pursuant to  
289 section 16a-3a, as amended by this act. The board shall periodically  
290 review contractors to determine whether they are qualified to conduct  
291 work related to such programs and to ensure that vendors are selected  
292 in a fair and equitable manner. [Such support] Support for such  
293 programs may be by direct funding, manufacturers' rebates, sale price  
294 and loan subsidies, leases and promotional and educational activities.  
295 The Energy Conservation Management Board shall periodically review  
296 the effectiveness of efficiency programs that the board oversees  
297 including, but not limited to, the low-income weatherization program,  
298 and shall periodically review contractors to determine whether they  
299 are qualified to conduct work related to programs that the board  
300 oversees. The plan shall also provide for expenditures by the [Energy  
301 Conservation Management Board] board for the retention of expert  
302 consultants and reasonable administrative costs provided such  
303 consultants shall not be employed by, or have any contractual  
304 relationship with, an electric distribution company. Such costs shall  
305 not exceed five per cent of the total revenue collected from the  
306 assessment.

307 Sec. 7. Subsection (i) of section 16-244c of the 2012 supplement to the  
308 general statutes is repealed and the following is substituted in lieu  
309 thereof (*Effective July 1, 2012*):

310 (i) The [Department of Energy and Environmental Protection]  
311 Public Utilities Regulatory Authority shall establish, by regulations  
312 adopted pursuant to chapter 54, procedures for when and how a  
313 customer is notified that his electric supplier has defaulted and of the  
314 need for the customer to choose a new electric supplier within a  
315 reasonable period of time or to return to standard service.

316 Sec. 8. Subsection (l) of section 16-244c of the 2012 supplement to the  
317 general statutes is repealed and the following is substituted in lieu  
318 thereof (*Effective July 1, 2012*):

319 (l) Each electric distribution company shall offer to bill customers on  
320 behalf of participating electric suppliers and to pay such suppliers in a  
321 timely manner the amounts due such suppliers from customers for  
322 generation services, less a percentage of such amounts that reflects  
323 uncollectible bills and overdue payments as approved by the  
324 [Department of Energy and Environmental Protection] Public Utilities  
325 Regulatory Authority.

326 Sec. 9. Subsection (a) of section 16-245d of the 2012 supplement to  
327 the general statutes is repealed and the following is substituted in lieu  
328 thereof (*Effective July 1, 2012*):

329 (a) The [Department of Energy and Environmental Protection]  
330 Public Utilities Regulatory Authority shall, by regulations adopted  
331 pursuant to chapter 54, develop a standard billing format that enables  
332 customers to compare pricing policies and charges among electric  
333 suppliers. The [department] authority shall adopt regulations, in  
334 accordance with the provisions of chapter 54, to provide that an  
335 electric supplier, until July 1, 2012, may provide direct billing and  
336 collection services for electric generation services and related federally  
337 mandated congestion charges that such supplier provides to its  
338 customers with a maximum demand of not less than one hundred  
339 kilowatts that choose to receive a bill directly from such supplier and,  
340 on and after July 1, 2012, shall provide direct billing and collection  
341 services for electric generation services and related federally mandated  
342 congestion charges that such suppliers provide to their customers or  
343 may choose to obtain such billing and collection service through an  
344 electric distribution company and pay its pro rata share in accordance  
345 with the provisions of subsection (h) of section 16-244c. Any customer  
346 of an electric supplier, which is choosing to provide direct billing, who  
347 paid for the cost of billing and other services to an electric distribution  
348 company shall receive a credit on [their] the customer's monthly bill.

349 (1) An electric supplier that chooses to provide billing and collection  
350 services shall, in accordance with the billing format developed by the  
351 [department] authority, include the following information in each  
352 customer's bill: (A) The total amount owed by the customer, which  
353 shall be itemized to show (i) the electric generation services component  
354 and any additional charges imposed by the electric supplier, and (ii)  
355 federally mandated congestion charges applicable to the generation  
356 services; (B) any unpaid amounts from previous bills, which shall be  
357 listed separately from current charges; (C) the rate and usage for the  
358 current month and each of the previous twelve months in bar graph  
359 form or other visual format; (D) the payment due date; (E) the interest  
360 rate applicable to any unpaid amount; (F) the toll-free telephone  
361 number of the Public Utilities Regulatory Authority for questions or  
362 complaints; and (G) the toll-free telephone number and address of the  
363 electric supplier. On or before February 1, 2012, the authority shall  
364 conduct a review of the costs and benefits of suppliers billing for all  
365 components of electric service, and report, in accordance with the  
366 provisions of section 11-4a, to the joint standing committee of the  
367 General Assembly having cognizance of matters relating to energy  
368 regarding the results of such review.

369 (2) An electric distribution company shall, in accordance with the  
370 billing format developed by the authority, include the following  
371 information in each customer's bill: (A) The total amount owed by the  
372 customer, which shall be itemized to show, (i) the electric generation  
373 services component if the customer obtains standard service or last  
374 resort service from the electric distribution company, (ii) the  
375 distribution charge, including all applicable taxes and the systems  
376 benefits charge, as provided in section 16-245l, (iii) the transmission  
377 rate as adjusted pursuant to subsection (d) of section 16-19b, (iv) the  
378 competitive transition assessment, as provided in section 16-245g, (v)  
379 federally mandated congestion charges, and (vi) the conservation and  
380 renewable energy charge, consisting of the conservation and load  
381 management program charge, as provided in section 16-245m, as  
382 amended by this act, and the renewable energy investment charge, as

383 provided in section 16-245n; (B) any unpaid amounts from previous  
384 bills which shall be listed separately from current charges; (C) except  
385 for customers subject to a demand charge, the rate and usage for the  
386 current month and each of the previous twelve months in the form of a  
387 bar graph or other visual form; (D) the payment due date; (E) the  
388 interest rate applicable to any unpaid amount; (F) the toll-free  
389 telephone number of the electric distribution company to report power  
390 losses; (G) the toll-free telephone number of the Public Utilities  
391 Regulatory Authority for questions or complaints; and (H) if a  
392 customer has a demand of five hundred kilowatts or less during the  
393 preceding twelve months, a statement about the availability of  
394 information concerning electric suppliers pursuant to section 16-245p.

395 Sec. 10. Subsection (a) of section 16-41 of the general statutes is  
396 repealed and the following is substituted in lieu thereof (*Effective July*  
397 *1, 2012*):

398 (a) Each (1) public service company and its officers, agents and  
399 employees, (2) electric supplier or person providing electric generation  
400 services without a license in violation of section 16-245, and its officers,  
401 agents and employees, (3) certified telecommunications provider or  
402 person providing telecommunications services without authorization  
403 pursuant to sections 16-247f to 16-247h, inclusive, and its officers,  
404 agents and employees, (4) person, public agency or public utility, as  
405 such terms are defined in section 16-345, subject to the requirements of  
406 chapter 293, (5) person subject to the registration requirements under  
407 section 16-258a, (6) cellular mobile telephone carrier, as described in  
408 section 16-250b, (7) Connecticut electric efficiency partner, as defined  
409 in section 16-243v, [and] (8) company, as defined in section 16-49, (9)  
410 person who owns, operates or constructs a facility, as defined in  
411 section 16-50i, and (10) person who is engaged in the submetering of  
412 electricity or the billing thereof, shall obey, observe and comply with  
413 all applicable provisions of this title and each applicable order made or  
414 applicable regulations adopted by the Public Utilities Regulatory  
415 Authority or the Connecticut Siting Council, as applicable, by virtue of  
416 this title as long as the same remains in force. Any such company,

417 electric supplier, certified telecommunications provider, cellular  
418 mobile telephone carrier, Connecticut electric efficiency partner,  
419 person, any officer, agent or employee thereof, public agency or public  
420 utility which the authority finds has failed to obey or comply with any  
421 such provision of this title, order or regulation shall be fined by order  
422 of the authority in accordance with the penalty prescribed for the  
423 violated provision of this title or, if no penalty is prescribed, not more  
424 than ten thousand dollars for each offense, except that the penalty shall  
425 be a fine of not more than forty thousand dollars for failure to comply  
426 with an order of the authority made in accordance with the provisions  
427 of section 16-19 or 16-247k or within thirty days of such order or  
428 within any specific time period for compliance specified in such order.  
429 Each distinct violation of any such provision of this title, order or  
430 regulation shall be a separate offense and, in case of a continued  
431 violation, each day thereof shall be deemed a separate offense. Each  
432 such penalty and any interest charged pursuant to subsection (g) or (h)  
433 of section 16-49 shall be excluded from operating expenses for  
434 purposes of rate-making.

435 Sec. 11. Subdivision (3) of subsection (c) of section 16-244c of the  
436 2012 supplement to the general statutes is repealed and the following  
437 is substituted in lieu thereof (*Effective July 1, 2012*):

438 (3) An electric distribution company providing electric generation  
439 services pursuant to this subsection shall cooperate with the  
440 procurement manager of the [Department of Energy and  
441 Environmental Protection] Public Utilities Regulatory Authority and  
442 comply with the procurement plan for electric generation services  
443 contracts. Such plan shall require that the portfolio of service contracts  
444 be procured in such manner and duration as the authority determines  
445 to be most likely to produce just, reasonable and reasonably stable  
446 retail rates while reflecting underlying wholesale market prices over  
447 time. The portfolio of contracts shall be assembled in such manner as  
448 to invite competition; guard against favoritism, improvidence,  
449 extravagance, fraud and corruption; and secure a reliable electricity  
450 supply while avoiding unusual, anomalous or excessive pricing. An

451 affiliate of an electric distribution company may bid for an electric  
452 generation services contract, provided such electric distribution  
453 company and affiliate are in compliance with the code of conduct  
454 established in section 16-244h.

455     Sec. 12. (*Effective from passage*) The Public Utilities Regulatory  
456 Authority shall initiate a docket to review the regulation of the state's  
457 propane industry. On or before January 1, 2013, the authority shall  
458 report, in accordance with the provisions of section 11-4a of the general  
459 statutes, the findings of such docket to the joint standing committee of  
460 the General Assembly having cognizance of matters relating to energy  
461 and technology.

462     Sec. 13. Section 16-244u of the 2012 supplement to the general  
463 statutes is repealed and the following is substituted in lieu thereof  
464 (*Effective from passage*):

465     (a) As used in this section:

466     (1) "Beneficial account" means an in-state retail end user of an  
467 electric distribution company designated by a customer host or  
468 agricultural customer host in such electric distribution company's  
469 service area to receive virtual net metering credits from a virtual net  
470 metering facility or agricultural virtual net metering credits from an  
471 agricultural virtual net metering facility;

472     (2) "Customer host" means an in-state retail end user of an electric  
473 distribution company that owns, leases or is subject to a long-term  
474 contract concerning a virtual net metering facility and participates in  
475 virtual net metering;

476     (3) "Unassigned virtual net metering credit" means in any given  
477 electric distribution company monthly billing period, a virtual net  
478 metering credit that remains after both the customer host and its  
479 beneficial accounts have been billed for zero kilowatt hours related  
480 solely to the generation service charges on such billings through  
481 virtual net metering;

482 (4) "Virtual net metering" means the process of combining the  
483 electric meter readings and billings, including any virtual net metering  
484 credits, for a customer host and a beneficial account through an electric  
485 distribution company billing process related solely to the generation  
486 service charges on such billings;

487 (5) "Virtual net metering credit" means a credit equal to the retail  
488 cost per kilowatt hour the customer host or agricultural customer host  
489 may have otherwise been charged for each kilowatt hour produced by  
490 a virtual net metering facility that exceeds the total amount of kilowatt  
491 hours used during an electric distribution company monthly billing  
492 period; [and]

493 (6) "Virtual net metering facility" means a Class I renewable energy  
494 source that: (A) Is served by an electric distribution company, (B) (i) is  
495 owned or leased by a customer host or is the subject of a long-term  
496 contract between the owner of such Class I renewable energy source  
497 and a customer host, and (ii) serves the electricity needs of the  
498 customer host and its beneficial accounts; [(B)] (C) is within the same  
499 electric distribution company service territory as the customer host  
500 and its beneficial accounts; and [(C)] (D) has a nameplate capacity  
501 rating of two megawatts or less;

502 (7) "Governmental customer" or "governmental customer host"  
503 means the state, or any political subdivision thereof, or any  
504 municipality;

505 (8) "Agricultural customer host" means an in-state retail end user of  
506 an electric distribution company that uses electricity for the purpose of  
507 agriculture, as defined in subsection (q) of section 1-1, that owns an  
508 agricultural net metering facility and participates in agricultural net  
509 metering;

510 (9) "Unassigned agricultural virtual net metering credit" means, in  
511 any given electric distribution company monthly billing period, an  
512 agricultural virtual net metering credit that remains after both the  
513 customer host and its beneficial accounts have been billed for zero



514 kilowatt hours related to the generation service charges on such  
515 billings through agricultural virtual net metering;

516 (10) "Agricultural virtual net metering" means the process of  
517 combining the electric meter readings and billings of the agricultural  
518 host, including any agricultural virtual net metering credits, for an  
519 agricultural customer host and any beneficial accounts through an  
520 electric distribution company billing process related to the generation  
521 charges on such billings; and

522 (11) "Agricultural virtual net metering facility" means a Class I  
523 renewable energy source that is operated as part of an agricultural  
524 business, as defined in subsection (q) of section 1-1 that: (A) Is served  
525 by an electric distribution company, on land owned or controlled by an  
526 agricultural customer host and serves the electricity needs of the  
527 agricultural customer host and its beneficial accounts; (B) is within the  
528 same electric distribution company service territory as the agricultural  
529 customer host and its beneficial accounts; and (C) has a nameplate  
530 capacity of two megawatts or less.

531 (b) Each electric distribution company shall provide virtual net  
532 metering to its [municipal] governmental customers and agricultural  
533 customer hosts shall make any necessary interconnections for a virtual  
534 net metering facility. Upon request by a [municipal] governmental or  
535 agricultural customer host to implement the provisions of this section,  
536 an electric distribution company shall install metering equipment, if  
537 necessary. For each [municipal] governmental or agricultural customer  
538 host, such metering equipment shall (1) measure electricity consumed  
539 from the electric distribution company's facilities; (2) deduct the  
540 amount of electricity produced but not consumed; and (3) register, for  
541 each monthly billing period, the net amount of electricity produced  
542 and, if applicable, consumed. If, in a given monthly billing period, a  
543 [municipal] governmental or agricultural customer host supplies more  
544 electricity to the electric distribution system than the electric  
545 distribution company delivers to the [municipal] governmental or  
546 agricultural customer host, the electric distribution company shall bill

547 the [municipal] governmental or agricultural customer host for zero  
548 kilowatt hours of generation and assign a virtual net metering credit to  
549 the [municipal] governmental or agricultural customer host's beneficial  
550 accounts for the next monthly billing period. Such credit shall be  
551 applied against the generation service component of the beneficial  
552 account. Such credit shall be allocated among such accounts in  
553 proportion to their consumption for the previous twelve billing  
554 periods. Agricultural virtual net metering credits shall first be applied  
555 against the generation service components of the agricultural customer  
556 host's metered accounts with any remaining credits applied against the  
557 generation service component of the beneficial account. Such credits  
558 shall be allocated among such accounts in proportion to their  
559 consumption for the previous twelve billing periods.

560 (c) An electric distribution company shall carry forward any  
561 unassigned virtual net metering generation credits earned by the  
562 [municipal] governmental or agricultural customer host from one  
563 monthly billing period to the next until the end of the calendar year. At  
564 the end of each calendar year, the electric distribution company shall  
565 compensate the [municipal] governmental or agricultural customer  
566 host for any unassigned virtual net metering generation credits at the  
567 rate the electric distribution company pays for power procured to  
568 supply standard service customers pursuant to section 16-244c, as  
569 amended by this act.

570 (d) At least sixty days before a [municipal] governmental customer  
571 host's virtual net metering facility becomes operational, the  
572 [municipal] governmental customer host shall provide written notice  
573 to the electric distribution company of its beneficial accounts. The  
574 [municipal] governmental customer host may change its list of  
575 beneficial accounts not more than once annually by providing another  
576 sixty days' written notice. The [municipal] governmental customer  
577 host shall not designate more than five beneficial accounts, except for  
578 critical facility accounts connected to a microgrid such customer may  
579 identify not more than eight beneficial accounts.

580       ~~(e)~~ Not later than sixty days before an agricultural customer host's  
581 agricultural virtual net metering facility becomes operational, the  
582 agricultural customer host shall provide written notice to the electric  
583 distribution company serving such customer host of its beneficial  
584 accounts. The agricultural customer host may change its list of  
585 beneficial accounts not more than once annually by providing another  
586 sixty days' written notice. The agricultural customer host shall not  
587 designate more than eight beneficial accounts.

588       ~~[(e)]~~ ~~(f)~~ On or before February 1, 2012, the [Department of Energy  
589 and Environmental Protection] Public Utilities Regulatory Authority  
590 shall conduct a proceeding to develop the administrative processes  
591 and program specifications, including, but not limited to, a cap of one  
592 million dollars per year apportioned to each electric distribution  
593 company based on consumer load for credits provided to beneficial  
594 accounts pursuant to subsection (c) of this section and payments made  
595 pursuant to subsection (d) of this section.

596       ~~[(f)]~~ ~~(g)~~ On or before January 1, 2013, and annually thereafter, each  
597 electric distribution company shall report to the [department]  
598 authority on the cost of its virtual net metering program pursuant to  
599 this section and the [department] authority shall combine such  
600 information and report it annually, in accordance with the provisions  
601 of section 11-4a, to the joint standing committee of the General  
602 Assembly having cognizance of matters relating to energy.

603       Sec. 14. Section 16-5 of the general statutes is repealed and the  
604 following is substituted in lieu thereof (*Effective from passage*):

605       Misconduct, material neglect of duty, incompetence in the conduct  
606 of his office, [or] active participation in political management or  
607 campaigns or failure to comply with any applicable provision of this  
608 title or title 16a by any [commissioner] director of the Public Utilities  
609 Regulatory Authority shall constitute cause for removal. Such removal  
610 shall be made only after judgment of the Superior Court rendered  
611 upon written complaint of the Attorney General. The Attorney General

612 may file such complaint in his discretion and shall file such complaint  
613 if so directed by the Governor. Upon the filing of such complaint, a  
614 rule to show cause shall issue to the accused, who may make any  
615 proper answer within such time as the court may limit and shall have  
616 the right to be heard in his own defense and by witnesses and counsel.  
617 The procedure upon such complaint shall be similar to that in civil  
618 actions, but such complaint shall be privileged in order of trial and  
619 shall be heard as soon as practicable. If, after hearing, the court finds  
620 cause for removal, it shall render judgment to that effect, and  
621 thereupon the office of such [commissioner] director shall become  
622 vacant.

623       Sec. 15. (NEW) (*Effective from passage*) There is established a Division  
624 of Adjudication within the Public Utilities Regulatory Authority. The  
625 staff of the division shall include, but not be limited to, hearing officers  
626 assigned pursuant to subsection (c) of section 16-2 of the general  
627 statutes, as amended by this act. The responsibilities of the division  
628 shall include, but not be limited to, hearing matters assigned under  
629 said subsection and advising the authority concerning legal issues. The  
630 authority shall assign such hearing officers pursuant to section 16-2 of  
631 the general statutes, as amended by this act, and assign such other staff  
632 as are necessary to advise the authority.

633       Sec. 16. Subsection (a) of section 16-49 of the 2012 supplement to the  
634 general statutes is repealed and the following is substituted in lieu  
635 thereof (*Effective from passage*):

636       (a) As used in this section:

637       (1) "Company" means (A) any public service company other than a  
638 telephone company, that had more than one hundred thousand dollars  
639 of gross revenues in the state in the calendar year preceding the  
640 assessment year under this section, except any such company not  
641 providing service to retail customers in the state, (B) any telephone  
642 company that had more than one hundred thousand dollars of gross  
643 revenues in the state from telecommunications services in the calendar

644 year preceding the assessment year under this section, except any such  
645 company not providing service to retail customers in the state, (C) any  
646 certified telecommunications provider that had more than one  
647 hundred thousand dollars of gross revenues in the state from  
648 telecommunications services in the calendar year preceding the  
649 assessment year under this section, except any such certified  
650 telecommunications provider not providing service to retail customers  
651 in the state, (D) any electric supplier that had more than one hundred  
652 thousand dollars of gross revenues in the state in the calendar year  
653 preceding the assessment year under this section, except any such  
654 supplier not providing electric generation services to retail customers  
655 in the state, or (E) any certified competitive video service provider  
656 issued a certificate of video franchise authority by the [Department of  
657 Energy and Environmental Protection] Public Utilities Regulatory  
658 Authority in accordance with section 16-331e that had more than one  
659 hundred thousand dollars of gross revenues in the state in the calendar  
660 year preceding the assessment year under this section, except any such  
661 certified competitive video service provider not providing service to  
662 retail customers in the state;

663 (2) "Telecommunications services" means (A) in the case of  
664 telecommunications services provided by a telephone company, any  
665 service provided pursuant to a tariff approved by the authority other  
666 than wholesale services and resold access and interconnections  
667 services, and (B) in the case of telecommunications services provided  
668 by a certified telecommunications provider other than a telephone  
669 company, any service provided pursuant to a tariff approved by the  
670 authority and pursuant to a certificate of public convenience and  
671 necessity; and

672 (3) "Fiscal year" means the period beginning July first and ending  
673 June thirtieth.

674 Sec. 17. Section 16-8 of the 2012 supplement to the general statutes is  
675 repealed and the following is substituted in lieu thereof (*Effective from*  
676 *passage*):

677 (a) The Public Utilities Regulatory Authority may, in its discretion,  
678 delegate its powers, in specific cases, to one or more of its directors or  
679 to a hearing officer to ascertain the facts and report thereon to the  
680 authority. The authority, or any director thereof, in the performance of  
681 its duties or in connection with any hearing, or at the request of any  
682 person, corporation, company, town, borough or association, may  
683 summon and examine, under oath, such witnesses, and may direct the  
684 production of, and examine or cause to be produced and examined,  
685 such books, records, vouchers, memoranda, documents, letters,  
686 contracts or other papers in relation to the affairs of any public service  
687 company as it may find advisable, and shall have the same powers in  
688 reference thereto as are vested in magistrates taking depositions. If any  
689 witness objects to testifying or to producing any book or paper on the  
690 ground that such testimony, book or paper may tend to incriminate  
691 him, and the authority directs such witness to testify or to produce  
692 such book or paper, and he complies, or if he is compelled so to do by  
693 order of court, he shall not be prosecuted for any matter concerning  
694 which he or she has so testified. The fees of witnesses summoned by  
695 the [department] authority to appear before it under the provisions of  
696 this section, and the fees for summoning witnesses shall be the same as  
697 in the Superior Court. All such fees, together with any other expenses  
698 authorized by statute, the method of payment of which is not  
699 otherwise provided, shall, when taxed by the authority, be paid by the  
700 state, through the business office of the authority, in the same manner  
701 as court expenses. The authority may designate in specific cases a  
702 hearing officer who may be a member of its technical staff or a member  
703 of the Connecticut Bar engaged for that purpose under a contract  
704 approved by the Secretary of the Office of Policy and Management to  
705 hold a hearing and make report thereon to the authority. A hearing  
706 officer so designated shall have the same powers as the authority, or  
707 any director thereof, to conduct a hearing, except that only a director of  
708 the authority shall have the power to grant immunity from  
709 prosecution to any witness who objects to testifying or to producing  
710 any book or paper on the ground that such testimony, book or paper  
711 may tend to incriminate him or her.

712 (b) (1) The authority may [, within available appropriations,]  
713 employ professional personnel to perform management audits. The  
714 authority shall promptly establish such procedures as it deems  
715 necessary or desirable to provide for management audits to be  
716 performed on a regular or irregular schedule on all or any portion of  
717 the operating procedures and any other internal workings of any  
718 public service company, including the relationship between any public  
719 service company and a related holding company or subsidiary,  
720 consistent with the provisions of section 16-8c, provided no such audit  
721 shall be performed on a community antenna television company,  
722 except with regard to any noncable communications services which  
723 the company may provide, or when (A) such an audit is necessary for  
724 the authority to perform its regulatory functions under the  
725 Communications Act of 1934, 47 USC 151, et seq., as amended from  
726 time to time, other federal law or state law, (B) the cost of such an audit  
727 is warranted by a reasonably foreseeable financial, safety or service  
728 benefit to subscribers of the company which is the subject of such an  
729 audit, and (C) such an audit is restricted to examination of the  
730 operating procedures that affect operations within the state.

731 (2) In any case where the authority determines that an audit is  
732 necessary or desirable, it may (A) order the audit to be performed by  
733 one of the management audit teams, (B) require the affected company  
734 to perform the audit utilizing the company's own internal  
735 management audit staff as supervised by designated members of the  
736 authority's staff, or (C) require that the audit be performed under the  
737 supervision of designated members of the authority's staff by an  
738 independent management consulting firm selected by the authority, in  
739 consultation with the affected company. If the affected company has  
740 more than seventy-five thousand customers, such independent  
741 management consulting firm shall be of nationally recognized stature.  
742 All reasonable and proper expenses of the audits, including, but not  
743 limited to, the costs associated with the audit firm's testimony at a  
744 public hearing or other proceeding, shall be borne by the affected  
745 companies and shall be paid by such companies at such times and in

746 such manner as the authority directs.

747 (3) For purposes of this section, a complete audit shall consist of (A)  
748 a diagnostic review of all functions of the audited company, which  
749 shall include, but not be limited to, documentation of the operations of  
750 the company, assessment of the company's system of internal controls,  
751 and identification of any areas of the company which may require  
752 subsequent audits, and (B) the performance of subsequent focused  
753 audits identified in the diagnostic review and determined necessary by  
754 the authority. All audits performed pursuant to this section shall be  
755 performed in accordance with generally accepted management audit  
756 standards. The [department] authority shall adopt regulations in  
757 accordance with the provisions of chapter 54 setting forth such  
758 generally accepted management audit standards. Each audit of a  
759 community antenna television company shall be consistent with the  
760 provisions of the Communications Act of 1934, 47 USC 151, et seq., as  
761 amended from time to time, and of any other applicable federal law.  
762 The authority shall certify whether a portion of an audit conforms to  
763 the provisions of this section and constitutes a portion of a complete  
764 audit.

765 (4) A complete audit of each portion of each gas, electric or electric  
766 distribution company having more than seventy-five thousand  
767 customers shall begin no less frequently than every six years, so that a  
768 complete audit of such a company's operations shall be performed  
769 every six years. Such an audit of each such company having more than  
770 seventy-five thousand customers shall be updated as required by the  
771 authority.

772 (5) The results of an audit performed pursuant to this section shall  
773 be filed with the authority and shall be open to public inspection.  
774 Upon completion and review of the audit, if the person or firm  
775 performing or supervising the audit determines that any of the  
776 operating procedures or any other internal workings of the affected  
777 public service company are inefficient, improvident, unreasonable,  
778 negligent or in abuse of discretion, the authority may, after notice and



779 opportunity for a hearing, order the affected public service company to  
780 adopt such new or altered practices and procedures as the authority  
781 shall find necessary to promote efficient and adequate service to meet  
782 the public convenience and necessity. The authority shall annually  
783 submit a report of audits performed pursuant to this section to the  
784 joint standing committee of the General Assembly having cognizance  
785 of matters relating to public utilities which report shall include the  
786 status of audits begun but not yet completed and a summary of the  
787 results of audits completed. Any such report may be submitted  
788 electronically, provided one paper copy of such report is submitted to  
789 said committee.

790 (6) All reasonable and proper costs and expenses, as determined by  
791 the authority, of complying with any order of the authority pursuant  
792 to this subsection shall be recognized by the authority for all purposes  
793 as proper business expenses of the affected company.

794 (7) After notice and hearing, the authority may modify the scope  
795 and schedule of a management audit of a telephone company which is  
796 subject to an alternative form of regulation so that such audit is  
797 consistent with that alternative form of regulation.

798 (c) Nothing in this section shall be deemed to interfere or conflict  
799 with any powers of the authority or its staff provided elsewhere in the  
800 general statutes, including, but not limited to, the provisions of this  
801 section and sections 16-7, as amended by this act, 16-28 and 16-32, to  
802 conduct an audit, investigation or review of the books, records, plant  
803 and equipment of any regulated public service company.

804 Sec. 18. Subsection (a) of section 16-245y of the 2012 supplement to  
805 the general statutes is repealed and the following is substituted in lieu  
806 thereof (*Effective from passage*):

807 (a) Not later than October 1, 1999, and annually thereafter, each  
808 electric company and electric distribution company, as defined in  
809 section 16-1, shall report to the Public Utilities Regulatory Authority its  
810 system average interruption duration index (SAIDI) and its system

811 average interruption frequency index (SAIFI) for the preceding twelve  
812 months. For purposes of this section: (1) Interruptions shall not include  
813 outages attributable to major storms, scheduled outages and outages  
814 caused by customer equipment, each as determined by the  
815 [department] authority; (2) SAIDI shall be calculated as the sum of  
816 customer interruptions in the preceding twelve-month period, in  
817 minutes, divided by the average number of customers served during  
818 that period; and (3) SAIFI shall be calculated as the total number of  
819 customers interrupted in the preceding twelve-month period, divided  
820 by the average number of customers served during that period. Not  
821 later than January 1, 2000, and annually thereafter, the authority shall  
822 report on the SAIDI and SAIFI data for each electric company and  
823 electric distribution, and all state-wide SAIDI and SAIFI data to the  
824 joint standing committee of the General Assembly having cognizance  
825 of matters relating to energy. Any such report may be submitted  
826 electronically, provided one paper copy of such report is submitted to  
827 said committee.

828 Sec. 19. Subsection (c) of section 16-245y of the 2012 supplement to  
829 the general statutes is repealed and the following is substituted in lieu  
830 thereof (*Effective from passage*):

831 (c) Not later than January 1, 2011, and annually thereafter, the  
832 [Department of Energy and Environmental Protection] Public Utilities  
833 Regulatory Authority shall report to the joint standing committee of  
834 the General Assembly having cognizance of matters relating to energy  
835 the number of applicants for licensure pursuant to section 16-245  
836 during the preceding twelve months, the number of applicants  
837 licensed by the [department] authority and the average period of time  
838 taken to process a license application. Any such report may be  
839 submitted electronically, provided one paper copy of such report is  
840 submitted to said committee.

841 Sec. 20. Subsection (b) of section 16-244m of the 2012 supplement to  
842 the general statutes is repealed and the following is substituted in lieu  
843 thereof (*Effective July 1, 2012*):

844 (b) The procurement manager shall, not less than quarterly, meet  
845 with the [Commissioner of Energy and Environmental Protection]  
846 Public Utilities Regulatory Authority and prepare a written report on  
847 the implementation of the plan. If the procurement manager finds that  
848 an interim amendment to the annual [procurement plan] Procurement  
849 Plan might substantially further the goals of reducing the cost or cost  
850 volatility of standard service, the procurement manager may petition  
851 the Public Utilities Regulatory Authority for such an interim  
852 amendment. The Public Utilities Regulatory Authority shall provide  
853 notice of the proposed amendment to the Office of Consumer Counsel  
854 and the electric distribution companies. The Office of Consumer  
855 Counsel and the electric distribution companies shall have two  
856 business days from the date of such notice to request an uncontested  
857 proceeding and a technical meeting of the Public Utilities Regulatory  
858 Authority regarding the proposed amendment, which proceeding and  
859 meeting shall occur if requested. The Public Utilities Regulatory  
860 Authority may approve, modify or deny the proposed amendment,  
861 with such approval, modification or denial following the technical  
862 meeting if one is requested. The Public Utilities Regulatory Authority's  
863 ruling shall occur within three business days after the technical  
864 meeting, if one is requested, or within three business days of the  
865 expiration of the time for requesting a technical meeting if no technical  
866 meeting is requested. The Public Utilities Regulatory Authority may  
867 maintain the confidentiality of the technical meeting to the full extent  
868 allowed by law.

869 Sec. 21. Subsection (c) of section 16-2 of the 2012 supplement to the  
870 general statutes is repealed and the following is substituted in lieu  
871 thereof (*Effective from passage*):

872 (c) Any matter coming before the authority may be assigned by the  
873 chairperson to a panel of one or more directors. Except as otherwise  
874 provided by statute or regulation, the panel shall determine whether a  
875 public hearing shall be held on the matter, and may designate one or  
876 two of its members to conduct such hearing or [request the  
877 appointment of] may assign a hearing officer to ascertain the facts and

878 report thereon to the panel. The decision of the panel, if unanimous,  
879 shall be the decision of the authority. If the decision of the panel is not  
880 unanimous, the matter shall be approved by a majority vote of the  
881 [panel] directors of the authority.

882 Sec. 22. Subsection (g) of section 16-2 of the 2012 supplement to the  
883 general statutes is repealed and the following is substituted in lieu  
884 thereof (*Effective July 1, 2012*):

885 (g) No director of the authority or employee of the Department of  
886 Energy and Environmental Protection assigned to work with the  
887 authority shall [, while serving as such or during such assignment,]  
888 have any interest, financial or otherwise, direct or indirect, or engage  
889 in any business, employment, transaction or professional activity, or  
890 incur any obligation of any nature, which is in substantial conflict with  
891 the proper discharge of his or her duties or employment in the public  
892 interest and of his or her responsibilities as prescribed in the laws of  
893 this state, as defined in section 1-85, concerning any matter within the  
894 jurisdiction of the authority; provided, no such substantial conflict  
895 shall be deemed to exist solely by virtue of the fact that a director of  
896 the authority or employee of the department assigned to work with the  
897 authority, or any business in which such a person has an interest,  
898 receives utility service from one or more Connecticut utilities under  
899 the normal rates and conditions of service.

900 Sec. 23. Subsection (a) of section 16-244m of the 2012 supplement to  
901 the general statutes is repealed and the following is substituted in lieu  
902 thereof (*Effective from passage*):

903 (a) On or before January 1, 2012, and annually thereafter, the  
904 procurement manager of the [Department of Energy and  
905 Environmental Protection] Public Utilities Regulatory Authority, in  
906 consultation with each electric distribution company, the  
907 Commissioner of Energy and Environmental Protection and [with]  
908 others at the procurement manager's discretion, including, but not  
909 limited to, a municipal energy cooperative established pursuant to

chapter 101a, other than entities, individuals and companies or their affiliates potentially involved in bidding on standard service, shall develop a plan for the procurement of electric generation services and related wholesale electricity market products that will enable each electric distribution company to manage a portfolio of contracts to reduce the average cost of standard service while maintaining standard service cost volatility within reasonable levels. Each [procurement plan] Procurement Plan shall provide for the competitive solicitation for load-following electric service and may include a provision for the use of other contracts, including, but not limited to, contracts for generation or other electricity market products and financial contracts, and may provide for the use of varying lengths of contracts. If such plan includes the purchase of full requirements contracts, it shall include an explanation of why such purchases are in the best interests of standard service customers.

Sec. 24. Subsection (d) of section 16-244m of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) (1) The [Department of Energy and Environmental Protection] Public Utilities Regulatory Authority shall conduct an uncontested proceeding to approve, with any amendments it determines necessary, a [procurement plan] Procurement Plan submitted pursuant to subsection (a) of this section.

(2) The [Department of Energy and Environmental Protection] Public Utilities Regulatory Authority shall report annually in accordance with the provisions of section 11-4a to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the [procurement plan] Procurement Plan and its implementation. Any such report may be submitted electronically, provided one paper copy of such report is submitted to said committee.

Sec. 25. Section 16a-3d of the 2012 supplement to the general

942 statutes is repealed and the following is substituted in lieu thereof  
943 (*Effective from passage*):

944 (a) On or before July 1, 2012, and every three years thereafter, the  
945 Commissioner of Energy and Environmental Protection, in  
946 consultation with the Connecticut Energy Advisory Board, shall  
947 prepare a [comprehensive energy plan] Comprehensive Energy  
948 Strategy. Such [plan] strategy shall reflect the legislative findings and  
949 policy stated in section 16a-35k and shall incorporate (1) an assessment  
950 and plan for all energy needs in the state, including, but not limited to,  
951 electricity, heating, cooling, and transportation, (2) the findings of the  
952 [integrated resources plan] Integrated Resources Plan, (3) the findings  
953 of the plan for energy efficiency adopted pursuant to section 16-245m,  
954 as amended by this act, [and] (4) the findings of the plan for renewable  
955 energy adopted pursuant to section 16-245n, as amended by this act,  
956 and (5) the Energy Assurance Plan developed for Connecticut  
957 pursuant to the American Recovery and Reinvestment Act, P.L. 111-5,  
958 or any successor Energy Assurance Plan that is developed within a  
959 reasonable time prior to the preparation of any such Comprehensive  
960 Energy Strategy. Such [plan] strategy shall further include, but not be  
961 limited to, (A) an assessment of current energy supplies, demand and  
962 costs, (B) identification and evaluation of the factors likely to affect  
963 future energy supplies, demand and costs, (C) a statement of progress  
964 made toward achieving the goals and milestones set in the preceding  
965 [comprehensive energy plan] Comprehensive Energy Strategy, (D) a  
966 statement of energy policies and long-range energy planning  
967 objectives and strategies appropriate to achieve, among other things, a  
968 sound economy, the least-cost mix of energy supply sources and  
969 measures that reduce demand for energy, giving due regard to such  
970 factors as consumer price impacts, security and diversity of fuel  
971 supplies and energy generating methods, protection of public health  
972 and safety, environmental goals and standards, conservation of energy  
973 and energy resources and the ability of the state to compete  
974 economically, (E) recommendations for administrative and legislative  
975 actions to implement such policies, objectives and strategies, (F) an

976 assessment of the potential costs savings and benefits to ratepayers,  
977 including, but not limited to, carbon dioxide emissions reductions or  
978 voluntary joint ventures to repower some or all of the state's coal-fired  
979 and oil-fired generation facilities built before 1990, and (G) the benefits,  
980 costs, obstacles and solutions related to the expansion and use and  
981 availability of natural gas in Connecticut. If the department finds that  
982 such expansion is in the public interest, it shall develop a plan to  
983 increase the use and availability of natural gas for transportation  
984 purposes.

985 (b) In adopting the [comprehensive energy plan] Comprehensive  
986 Energy Strategy, the Commissioner of Energy and Environmental  
987 Protection [, or the commissioner's designee,] shall conduct a  
988 proceeding [and such proceeding] that shall not be considered a  
989 contested case under chapter 54, provided [a hearing pursuant to  
990 chapter 54] at least one public meeting and a technical meeting shall be  
991 held. The commissioner shall give not less than fifteen days' notice of  
992 such [proceeding] public meeting and not less than thirty days' notice  
993 of any technical meeting by electronic publication on the department's  
994 Internet web site. Notice of such [hearing] meeting may also be  
995 published in one or more newspapers having a state-wide circulation if  
996 deemed necessary by the commissioner. Such notice shall state the  
997 date, time, and place of the meeting, the procedures for submitting  
998 comments and questions to the commissioner, the subject matter of the  
999 meeting, the statutory authority for the proposed [plan] strategy and  
1000 the location where a copy of the proposed [plan] strategy may be  
1001 obtained or examined in addition to posting the [plan] proposed  
1002 strategy on the department's Internet web site. [The Public Utilities  
1003 Regulatory Authority shall comment on the plan's impact on  
1004 ratepayers and any other person may comment on the proposed plan.]  
1005 The commissioner shall provide a time period of not less than [forty-  
1006 five] sixty days from the date the notice is published on the  
1007 department's Internet web site for public review and comment and,  
1008 during such time period, any person may provide comments and  
1009 questions concerning the proposed strategy to the commissioner. All

1010 written comments or questions submitted to the commissioner shall be  
1011 promptly posted on the department's Internet web site. Any meeting  
1012 conducted pursuant to this section shall be recorded and transcribed.  
1013 Such transcription shall be promptly posted on the department's  
1014 Internet web site. Department staff and any expert retained by the  
1015 commissioner in developing the strategy shall be available at any such  
1016 meeting for questioning by participants. The commissioner shall  
1017 consider fully, after all public meetings, all written and oral comments  
1018 concerning the proposed [plan] strategy and shall approve or reject the  
1019 strategy. The commissioner shall post on the department's Internet  
1020 web site, and notify by electronic mail each person who requests such  
1021 notice, [. The commissioner shall make available] the electronic text of  
1022 the final [plan] strategy or an Internet web site where the final [plan]  
1023 strategy is posted, and a report summarizing [(1)] all public comments,  
1024 [and (2)] the commissioner's response to such comments, the changes  
1025 made to the final [plan] strategy in response to such comments and the  
1026 reasons [therefore] therefor. The final strategy may not be relied on as  
1027 precedent or authority by an agency until such strategy has been made  
1028 available for public inspection and copying. Any document or  
1029 transcript related to the strategy shall be indexed on the department's  
1030 Internet web site in a manner that is readily accessible to any such  
1031 interested person.

1032 (c) The commissioner shall submit the final [plan] strategy  
1033 electronically to the joint standing committees of the General Assembly  
1034 having cognizance of matters relating to energy and the environment.

1035 (d) The commissioner may, in consultation with the Connecticut  
1036 Energy Advisory Board, modify the [comprehensive energy plan]  
1037 Comprehensive Energy Strategy in accordance with the procedures  
1038 outlined in subsections (b) and (c) of this section. [The commissioner  
1039 may approve or reject such plan with comments.]

1040 (e) The decisions of the Public Utilities Regulatory Authority shall  
1041 be guided by the goals of the Department of Energy and  
1042 Environmental Protection, as listed in section 22a-2d, and by the goals



1043 of the [comprehensive energy plan] Comprehensive Energy Strategy  
1044 approved pursuant to this section and the [integrated resources plan]  
1045 Integrated Resources Plan approved pursuant to section 16a-3a and  
1046 shall be based on the evidence in the record of each proceeding.

1047 (f) All [electric distribution companies'] reasonable costs associated  
1048 with the development of the [resource assessment] Comprehensive  
1049 Energy Strategy approved by the commissioner shall be recoverable  
1050 through [the systems benefits charge] an assessment pursuant to  
1051 section 16-49, as amended by this act. All electric distribution  
1052 companies' reasonable costs associated with the development of the  
1053 strategy, if any, shall be recoverable through a reconciling,  
1054 nonbypassable component of electric rates as determined by the  
1055 authority.

1056 (g) In the event that the Comprehensive Energy Strategy approved  
1057 by the commissioner contains any provision the implementation of  
1058 which requires funding through new or amended rates, the  
1059 commissioner shall request that the Public Utilities Regulatory  
1060 Authority open a proceeding to implement such provision in  
1061 accordance with the procedures established in section 16-19 to ensure  
1062 that rates remain just and reasonable.

1063 Sec. 26. Section 16a-3a of the 2012 supplement to the general statutes  
1064 is repealed and the following is substituted in lieu thereof (*Effective*  
1065 *from passage*):

1066 (a) The [Department] Commissioner of Energy and Environmental  
1067 Protection, in consultation with the Connecticut Energy Advisory  
1068 Board and the electric distribution companies, shall review the state's  
1069 energy and capacity resource assessment and [develop] adopt an  
1070 [integrated resources plan] Integrated Resources Plan for the  
1071 procurement of energy resources, including, but not limited to,  
1072 conventional and renewable generating facilities, energy efficiency,  
1073 load management, demand response, combined heat and power  
1074 facilities, distributed generation and other emerging energy

1075 technologies to meet the projected requirements of their customers in a  
1076 manner that minimizes the cost of such resources to customers over  
1077 time and maximizes consumer benefits consistent with the state's  
1078 environmental goals and standards. Such [integrated resources plan]  
1079 Integrated Resources Plan shall seek to lower the cost of electricity.

1080 (b) On or before January 1, 2012, and biennially thereafter, the  
1081 [Department] Commissioner of Energy and Environmental Protection,  
1082 in consultation with the Connecticut Energy Advisory Board and the  
1083 electric distribution companies, shall prepare an assessment of (1) the  
1084 energy and capacity requirements of customers for the next three, five  
1085 and ten years, (2) the manner of how best to eliminate growth in  
1086 electric demand, (3) how best to level electric demand in the state by  
1087 reducing peak demand and shifting demand to off-peak periods, (4)  
1088 the impact of current and projected environmental standards,  
1089 including, but not limited to, those related to greenhouse gas emissions  
1090 and the federal Clean Air Act goals and how different resources could  
1091 help achieve those standards and goals, (5) energy security and  
1092 economic risks associated with potential energy resources, and (6) the  
1093 estimated lifetime cost and availability of potential energy resources.

1094 (c) Resource needs shall first be met through all available energy  
1095 efficiency and demand reduction resources that are cost-effective,  
1096 reliable and feasible. The projected customer cost impact of any  
1097 demand-side resources considered pursuant to this subsection shall be  
1098 reviewed on an equitable basis with nondemand-side resources. The  
1099 [integrated resources plan] Integrated Resources Plan shall specify (1)  
1100 the total amount of energy and capacity resources needed to meet the  
1101 requirements of all customers, (2) the extent to which demand-side  
1102 measures, including efficiency, conservation, demand response and  
1103 load management can cost-effectively meet these needs in a manner  
1104 that ensures equity in benefits and cost reduction to all classes and  
1105 subclasses of consumers, (3) needs for generating capacity and  
1106 transmission and distribution improvements, (4) how the development  
1107 of such resources will reduce and stabilize the costs of electricity to  
1108 each class and subclass of consumers, and (5) the manner in which

1109 each of the proposed resources should be procured, including the  
1110 optimal contract periods for various resources.

1111 (d) The [integrated resources plan] Integrated Resources Plan shall  
1112 consider: (1) Approaches to maximizing the impact of demand-side  
1113 measures; (2) the extent to which generation needs can be met by  
1114 renewable and combined heat and power facilities; (3) the  
1115 optimization of the use of generation sites and generation portfolio  
1116 existing within the state; (4) fuel types, diversity, availability, firmness  
1117 of supply and security and environmental impacts thereof, including  
1118 impacts on meeting the state's greenhouse gas emission goals; (5)  
1119 reliability, peak load and energy forecasts, system contingencies and  
1120 existing resource availabilities; (6) import limitations and the  
1121 appropriate reliance on such imports; (7) the impact of the  
1122 [procurement plan] Procurement Plan on the costs of electric  
1123 customers; and (8) the effects on participants and nonparticipants.  
1124 [Such plan] The Integrated Resources Plan shall include options for  
1125 lowering the rates and cost of electricity. Such plan shall take into  
1126 account the comprehensive plan to implement cost-effective energy  
1127 conservation programs and market transformation initiatives  
1128 developed pursuant to section 16-245m, as amended by this act. The  
1129 Department of Energy and Environmental Protection shall hold a  
1130 [public hearing] public meeting and a technical meeting on such  
1131 [integrated resources plan] Integrated Resources Plan. [pursuant to  
1132 chapter 54. The commissioner may approve or reject such plan with  
1133 comments.]

1134 (e) [The procurement manager of the Public Utilities Regulatory  
1135 Authority, in consultation with the electric distribution companies, the  
1136 regional independent system operator, and the Connecticut Energy  
1137 Advisory Board, shall develop a procurement plan and hold public  
1138 hearings on the proposed plan. Such hearings shall not constitute a  
1139 contested case and shall be held in accordance with chapter 54. The  
1140 Public Utilities Regulatory Authority shall give not less than fifteen  
1141 days' notice of such proceeding by electronic publication on the  
1142 department's Internet web site.] In adopting the Integrated Resources

1143 Plan, the commissioner shall conduct an uncontested proceeding that  
1144 shall include not less than one public meeting and one technical  
1145 meeting. Not less than fifteen days before any such public meeting and  
1146 not less than thirty days before any technical meeting, the  
1147 commissioner shall publish notice of such meetings and post the text of  
1148 the proposed Integrated Resources Plan on the department's Internet  
1149 web site. Notice of such [hearing] meeting may also be published in  
1150 one or more newspapers having a state-wide circulation if deemed  
1151 necessary by the commissioner. Such notice shall state the date, time,  
1152 and place of [the hearing] any meeting, the subject matter of the  
1153 [hearing] meeting, the manner and time period during which  
1154 comments and questions may be submitted to the commissioner, the  
1155 statutory authority for the proposed [integrated resources plan]  
1156 Integrated Resources Plan and the location where a copy of the  
1157 [proposed integrated resources] plan may be obtained or examined. [in  
1158 addition to posting the plan on the department's Internet web site.]  
1159 The commissioner shall provide a time period of not less than [forty-  
1160 five] sixty days from the date the notice is published on the  
1161 department's Internet web site for public review and comment and  
1162 during such period any person may submit comments and questions  
1163 concerning the proposed plan to the commissioner. All written  
1164 comments or questions submitted to the commissioner shall be  
1165 promptly posted on the department's Internet web site. Any meeting  
1166 conducted pursuant to this section shall be recorded and transcribed.  
1167 Such transcription shall be promptly posted on the department's  
1168 Internet web site. Department staff and any expert retained by the  
1169 commissioner in developing the plan shall be available at any such  
1170 meeting to answer the questions of participants. The commissioner  
1171 shall consider fully, after all public meetings, all written and oral  
1172 comments concerning the proposed [integrated resources plan]  
1173 Integrated Resources Plan and shall finalize the plan. The  
1174 commissioner shall post on the department's Internet web site, and  
1175 notify by electronic mail each person who requests such notice, [  
1176 the commissioner shall make available] the electronic text of the final  
1177 [integrated resources plan or an Internet web site where the final

1178 integrated resources plan is posted,] Integrated Resources Plan and a  
1179 report summarizing [(1)] all public comments, [and (2)] the  
1180 commissioner's response to such comments, the changes made to the  
1181 final [integrated resources] plan in response to such comments and the  
1182 reasons therefor. The final plan may not be relied on as precedent or  
1183 authority by an agency until such plan has been made available for  
1184 public inspection and copying. Any document or transcript related to  
1185 the plan shall be indexed on the department's Internet web site in a  
1186 manner that is readily accessible to any such interested person. The  
1187 commissioner shall submit the final [integrated resources plan]  
1188 Integrated Resources Plan by electronic means, or as requested, to the  
1189 joint standing committees of the General Assembly having cognizance  
1190 of matters relating to energy and the environment. The department's  
1191 Bureau of Energy shall, after the public hearing, make  
1192 recommendations to the Commissioner of Energy and Environmental  
1193 Protection regarding plan modifications. Said commissioner shall  
1194 approve or reject the plan with comments. The commissioner may  
1195 modify the Integrated Resources Plan to correct clerical errors at any  
1196 time without following the procedures outlined in this subsection. The  
1197 commissioner shall post any modified plan on the department's  
1198 Internet web site and provide the electronic text of such modified plan  
1199 by electronic mail to each person who requests such text.

1200 (f) [On or before March 1, 2012] Not later than two years after the  
1201 adoption of the Comprehensive Energy Strategy, adopted pursuant to  
1202 section 16a-3d, as amended by this act, and the Integrated Resources  
1203 Plan, adopted pursuant to this section, and every two years thereafter,  
1204 the [Department] Commissioner of Energy and Environmental  
1205 Protection shall report to the joint standing committees of the General  
1206 Assembly having cognizance of matters relating to energy and the  
1207 environment regarding goals established and progress toward  
1208 implementation of [the integrated resources plan established pursuant  
1209 to this section] said plan and said strategy, as well as any  
1210 recommendations [for the process] concerning said plan and said  
1211 strategy. Any such report may be submitted electronically.

1212 (g) All reasonable costs associated with the development of the  
1213 resource assessment, [and the development of the integrated resources  
1214 plan] the Integrated Resources Plan, adopted pursuant to this section,  
1215 and the [procurement plan] Procurement Plan, adopted pursuant to  
1216 section 16-244m, as amended by this act, shall be recoverable through  
1217 the assessment in section 16-49, as amended by this act. All electric  
1218 distribution companies' reasonable costs associated with the  
1219 development of the Integrated Resources Plan, if any, shall be  
1220 recoverable through a reconciling, nonbypassable component of  
1221 electric rates as determined by the authority.

1222 (h) The decisions of the Public Utilities Regulatory Authority shall  
1223 be guided by the goals of the Department of Energy and  
1224 Environmental Protection, as described in section 22a-2d, and with the  
1225 goals of the [integrated resources plan] Integrated Resources Plan  
1226 approved pursuant to this section and the [comprehensive energy  
1227 plan] Comprehensive Energy Strategy developed pursuant to section  
1228 16a-3d and shall be based on the evidence in the record of each  
1229 proceeding.

1230 (i) In the event that the Integrated Resources Plan finalized by the  
1231 commissioner contains any provision the implementation of which  
1232 requires funding through new or amended rates, the commissioner  
1233 shall request that the Public Utilities Regulatory Authority open a  
1234 proceeding to implement such provision, in accordance with the  
1235 procedures established in section 16-19, to ensure that rates remain just  
1236 and reasonable.

1237 Sec. 27. (NEW) (*Effective July 1, 2012*) The Commissioner of Energy  
1238 and Environmental Protection shall be a party to each proceeding  
1239 before the Public Utilities Regulatory Authority and shall participate in  
1240 any such proceeding to the extent the commissioner deems necessary.  
1241 The commissioner may appeal from a decision, order or authorization  
1242 in any such proceeding that is a contested case notwithstanding the  
1243 commissioner's failure to appear or participate in such proceeding.

1244 Sec. 28. Subdivision (2) of subsection (j) of section 16-244c of the  
1245 2012 supplement to the general statutes is repealed and the following  
1246 is substituted in lieu thereof (*Effective from passage*):

1247 (2) Notwithstanding the provisions of subsection (d) of this section  
1248 regarding an alternative transitional standard offer option or an  
1249 alternative standard service option, an electric distribution company  
1250 providing transitional standard offer service, standard service,  
1251 supplier of last resort service or back-up electric generation service in  
1252 accordance with this section shall, not later than July 1, 2008, file with  
1253 the Public Utilities Regulatory Authority for its approval one or more  
1254 long-term power purchase contracts from Class I renewable energy  
1255 source projects with a preference for projects located in Connecticut  
1256 that receive funding from the Clean Energy Fund and that are not less  
1257 than one megawatt in size, at a price that is either, at the determination  
1258 of the project owner, (A) not more than the total of the comparable  
1259 wholesale market price for generation plus five and one-half cents per  
1260 kilowatt hour, or (B) fifty per cent of the wholesale market electricity  
1261 cost at the point at which transmission lines intersect with each other  
1262 or interface with the distribution system, plus the project cost of fuel  
1263 indexed to natural gas futures contracts on the New York Mercantile  
1264 Exchange at the natural gas pipeline interchange located in Vermillion  
1265 Parish, Louisiana that serves as the delivery point for such futures  
1266 contracts, plus the fuel delivery charge for transporting fuel to the  
1267 project, plus five and one-half cents per kilowatt hour. In its approval  
1268 of such contracts, the authority shall give preference to purchase  
1269 contracts from those projects that would provide a financial benefit to  
1270 ratepayers and would enhance the reliability of the electric  
1271 transmission system of the state. Such projects shall be located in this  
1272 state. The owner of a fuel cell project principally manufactured in this  
1273 state shall be allocated all available air emissions credits and tax credits  
1274 attributable to the project and no less than fifty per cent of the energy  
1275 credits in the Class I renewable energy credits program established in  
1276 section 16-245a attributable to the project. On and after October 1, 2007,  
1277 and until September 30, 2008, such contracts shall be comprised of not

1278 less than a total, apportioned among each electric distribution  
1279 company, of one hundred twenty-five megawatts; and on and after  
1280 October 1, 2008, such contracts shall be comprised of not less than a  
1281 total, apportioned among each electrical distribution company, of one  
1282 hundred fifty megawatts. The Public Utilities Regulatory Authority  
1283 shall not issue any order that results in the extension of any in-service  
1284 date or contractual arrangement made as a part of Project 100 or  
1285 Project 150 beyond the termination date previously approved by the  
1286 authority established by the contract, provided any party to such  
1287 contract may provide a notice of termination in accordance with the  
1288 terms of, and to the extent permitted under, its contract, except the  
1289 authority shall grant, upon request, an extension of such latest in-  
1290 service date by sixteen months for any project located in a distressed  
1291 municipality, as defined in section 32-9p. The cost of such contracts  
1292 and the administrative costs for the procurement of such contracts  
1293 directly incurred shall be eligible for inclusion in the adjustment to the  
1294 transitional standard offer as provided in this section and any  
1295 subsequent rates for standard service, provided such contracts are for a  
1296 period of time sufficient to provide financing for such projects, but not  
1297 less than ten years, and are for projects which began operation on or  
1298 after July 1, 2003. Except as provided in this subdivision, the amount  
1299 from Class I renewable energy sources contracted under such contracts  
1300 shall be applied to reduce the applicable Class I renewable energy  
1301 source portfolio standards. For purposes of this subdivision, the  
1302 [department's] authority's determination of the comparable wholesale  
1303 market price for generation shall be based upon a reasonable estimate.  
1304 On or before September 1, 2011, the authority, in consultation with the  
1305 Office of Consumer Counsel and the Clean Energy Finance and  
1306 Investment Authority, shall study the operation of such renewable  
1307 energy contracts and report its findings and recommendations to the  
1308 joint standing committee of the General Assembly having cognizance  
1309 of matters relating to energy.

1310 Sec. 29. Section 16-245n of the 2012 supplement to the general  
1311 statutes is repealed and the following is substituted in lieu thereof



1312 (Effective from passage):

1313 (a) For purposes of this section, "clean energy" means solar  
1314 photovoltaic energy, solar thermal, geothermal energy, wind, ocean  
1315 thermal energy, wave or tidal energy, fuel cells, landfill gas,  
1316 hydropower that meets the low-impact standards of the Low-Impact  
1317 Hydropower Institute, hydrogen production and hydrogen conversion  
1318 technologies, low emission advanced biomass conversion technologies,  
1319 alternative fuels, used for electricity generation including ethanol,  
1320 biodiesel or other fuel produced in Connecticut and derived from  
1321 agricultural produce, food waste or waste vegetable oil, provided the  
1322 Commissioner of Energy and Environmental Protection determines  
1323 that such fuels provide net reductions in greenhouse gas emissions  
1324 and fossil fuel consumption, usable electricity from combined heat and  
1325 power systems with waste heat recovery systems, thermal storage  
1326 systems, other energy resources and emerging technologies which  
1327 have significant potential for commercialization and which do not  
1328 involve the combustion of coal, petroleum or petroleum products,  
1329 municipal solid waste or nuclear fission, financing of energy efficiency  
1330 projects, [and] projects that seek to deploy electric, electric hybrid,  
1331 natural gas or alternative fuel vehicles and associated infrastructure,  
1332 [and] any related storage, distribution, manufacturing technologies or  
1333 facilities and any Class I renewable energy source, as defined in section  
1334 16-1.

1335 (b) On and after July 1, 2004, the Public Utilities Regulatory  
1336 Authority shall assess or cause to be assessed a charge of not less than  
1337 one mill per kilowatt hour charged to each end use customer of electric  
1338 services in this state which shall be deposited into the Clean Energy  
1339 Fund established under subsection (c) of this section. Notwithstanding  
1340 the provisions of this section, receipts from such charges shall be  
1341 disbursed to the resources of the General Fund during the period from  
1342 July 1, 2003, to June 30, 2005, unless the authority shall, on or before  
1343 October 30, 2003, issue a financing order for each affected distribution  
1344 company in accordance with sections 16-245e to 16-245k, inclusive, to  
1345 sustain funding of renewable energy investment programs by

1346 substituting an equivalent amount, as determined by the authority in  
1347 such financing order, of proceeds of rate reduction bonds for  
1348 disbursement to the resources of the General Fund during the period  
1349 from July 1, 2003, to June 30, 2005. The authority may authorize in such  
1350 financing order the issuance of rate reduction bonds that substitute for  
1351 disbursement to the General Fund for receipts of both charges under  
1352 this subsection and subsection (a) of section 16-245m and also may in  
1353 its discretion authorize the issuance of rate reduction bonds under this  
1354 subsection and subsection (a) of section 16-245m that relate to more  
1355 than one electric distribution company. The authority shall, in such  
1356 financing order or other appropriate order, offset any increase in the  
1357 competitive transition assessment necessary to pay principal,  
1358 premium, if any, interest and expenses of the issuance of such rate  
1359 reduction bonds by making an equivalent reduction to the charges  
1360 imposed under this subsection, provided any failure to offset all or any  
1361 portion of such increase in the competitive transition assessment shall  
1362 not affect the need to implement the full amount of such increase as  
1363 required by this subsection and sections 16-245e to 16-245k, inclusive.  
1364 Such financing order shall also provide if the rate reduction bonds are  
1365 not issued, any unrecovered funds expended and committed by the  
1366 electric distribution companies for renewable resource investment  
1367 through deposits into the Clean Energy Fund, provided such  
1368 expenditures were approved by the authority following August 20,  
1369 2003, and prior to the date of determination that the rate reduction  
1370 bonds cannot be issued, shall be recovered by the companies from  
1371 their respective competitive transition assessment or systems benefits  
1372 charge, except that such expenditures shall not exceed one million  
1373 dollars per month. All receipts from the remaining charges imposed  
1374 under this subsection, after reduction of such charges to offset the  
1375 increase in the competitive transition assessment as provided in this  
1376 subsection, shall be disbursed to the Clean Energy Fund commencing  
1377 as of July 1, 2003. Any increase in the competitive transition  
1378 assessment or decrease in the renewable energy investment  
1379 component of an electric distribution company's rates resulting from  
1380 the issuance of or obligations under rate reduction bonds shall be

1381 included as rate adjustments on customer bills.

1382 (c) There is hereby created a Clean Energy Fund which shall be  
1383 within the Clean Energy Finance and Investment Authority. The fund  
1384 may receive any amount required by law to be deposited into the fund  
1385 and may receive any federal funds as may become available to the  
1386 state for clean energy investments. Upon authorization of the Clean  
1387 Energy Finance and Investment Authority established pursuant to  
1388 subsection (d) of this section, any amount in said fund may be used for  
1389 expenditures that promote investment in clean energy in accordance  
1390 with a comprehensive plan developed by it to foster the growth,  
1391 development and commercialization of clean energy sources, related  
1392 enterprises and stimulate demand for clean energy and deployment of  
1393 clean energy sources that serve end use customers in this state and for  
1394 the further purpose of supporting operational demonstration projects  
1395 for advanced technologies that reduce energy use from traditional  
1396 sources. Such expenditures may include, but not be limited to,  
1397 providing low-cost financing and credit enhancement mechanisms for  
1398 clean energy projects and technologies, reimbursement of the  
1399 operating expenses, including administrative expenses incurred by the  
1400 [authority] Clean Energy Finance and Investment Authority and [the  
1401 corporation] Connecticut Innovations, Incorporated, and capital costs  
1402 incurred by the [authority] Clean Energy Finance and Investment  
1403 Authority in connection with the operation of the fund, the  
1404 implementation of the plan developed pursuant to subsection (d) of  
1405 this section or the other permitted activities of the [authority] Clean  
1406 Energy Finance and Investment Authority, disbursements from the  
1407 fund to develop and carry out the plan developed pursuant to  
1408 subsection (d) of this section, grants, direct or equity investments,  
1409 contracts or other actions which support research, development,  
1410 manufacture, commercialization, deployment and installation of clean  
1411 energy technologies, and actions which expand the expertise of  
1412 individuals, businesses and lending institutions with regard to clean  
1413 energy technologies.

1414 (d) (1) (A) There is established the Clean Energy Finance and

1415 Investment Authority, which shall be [deemed a quasi-public agency  
1416 for purposes of chapters 5, 10 and 12 and] within Connecticut  
1417 Innovations, Incorporated, for administrative purposes only. The  
1418 Clean Energy Finance and Investment Authority is hereby established  
1419 and created as a body politic and corporate, constituting a public  
1420 instrumentality and political subdivision of the state of Connecticut  
1421 established and created for the performance of an essential public and  
1422 governmental function. The Clean Energy Finance and Investment  
1423 Authority shall not be construed to be a department, institution or  
1424 agency of the state.

1425 (B) The [authority] Clean Energy Finance and Investment Authority  
1426 shall [(A)] (i) develop separate programs to finance and otherwise  
1427 support clean energy investment in residential, municipal, small  
1428 business and larger commercial projects and such others as the  
1429 [authority] Clean Energy Finance and Investment Authority may  
1430 determine; [(B)] (ii) support financing or other expenditures that  
1431 promote investment in clean energy sources in accordance with a  
1432 comprehensive plan developed by it to foster the growth, development  
1433 and commercialization of clean energy sources and related enterprises;  
1434 and [(C)] (iii) stimulate demand for clean energy and the deployment  
1435 of clean energy sources within the state that serve end-use customers  
1436 in the state.

1437 [Said authority] (C) The Clean Energy Finance and Investment  
1438 Authority shall constitute a successor agency to [the corporation]  
1439 Connecticut Innovations, Incorporated for the purposes of  
1440 [administrating] administering the Clean Energy Fund in accordance  
1441 with section 4-38d. [Said authority] The Clean Energy Finance and  
1442 Investment Authority shall have all the privileges, immunities, tax  
1443 exemptions and other exemptions of the [corporation. Said authority]  
1444 Connecticut Innovations, Incorporated with respect to said fund. The  
1445 Clean Energy Finance and Investment Authority shall be subject to suit  
1446 and liability solely from the assets, revenues and resources of [the] said  
1447 authority and without recourse to the general funds, revenues,  
1448 resources or other assets of [the corporation. Said authority]

1449 Connecticut Innovations, Incorporated. The Clean Energy Finance and  
1450 Investment Authority may provide financial assistance in the form of  
1451 grants, loans, loan guarantees or debt and equity investments, as  
1452 approved in accordance with written procedures adopted pursuant to  
1453 section 1-121. The Clean Energy Finance and Investment Authority  
1454 may assume or take title to any real property, convey or dispose of its  
1455 assets and pledge its revenues to secure any borrowing, convey or  
1456 dispose of its assets and pledge its revenues to secure any borrowing,  
1457 for the purpose of developing, acquiring, constructing, refinancing,  
1458 rehabilitating or improving its assets or supporting its programs,  
1459 provided each such borrowing or mortgage, unless otherwise  
1460 provided by the board or [the] said authority, shall be a special  
1461 obligation of [the] said authority, which obligation may be in the form  
1462 of bonds, bond anticipation notes or other obligations which evidence  
1463 an indebtedness to the extent permitted under this chapter to fund,  
1464 refinance and refund the same and provide for the rights of holders  
1465 thereof, and to secure the same by pledge of revenues, notes and  
1466 mortgages of others, and which shall be payable solely from the assets,  
1467 revenues and other resources of [the] said authority and [in no event  
1468 shall] such bonds may be secured by a special capital reserve fund [of  
1469 any kind which is in any way] contributed to by the state. The  
1470 [authority] Clean Energy Finance and Investment Authority shall have  
1471 the purposes as provided by resolution of [the] said authority's board  
1472 of directors, which purposes shall be consistent with this section. No  
1473 further action is required for the establishment of the [authority] Clean  
1474 Energy Finance and Investment Authority, except the adoption of a  
1475 resolution for [the] said authority.

1476 (2) (A) The [authority] Clean Energy Finance and Investment  
1477 Authority may seek to qualify as a Community Development Financial  
1478 Institution under Section 4702 of the United States Code. If approved  
1479 as a Community Development Financial Institution, [the] said  
1480 authority would be treated as a qualified community development  
1481 entity for purposes of Section 45D and Section 1400N(m) of the  
1482 Internal Revenue Code.

1483 (B) Before making any loan, loan guarantee, or such other form of  
1484 financing support or risk management for a clean energy project, the  
1485 [authority] Clean Energy Finance and Investment Authority shall  
1486 develop standards to govern the administration of [the] said authority  
1487 through rules, policies and procedures that specify borrower  
1488 eligibility, terms and conditions of support, and other relevant criteria,  
1489 standards or procedures.

1490 (C) Funding sources specifically authorized include, but are not  
1491 limited to:

1492 (i) Funds repurposed from existing programs providing financing  
1493 support for clean energy projects, provided any transfer of funds from  
1494 such existing programs shall be subject to approval by the General  
1495 Assembly and shall be used for expenses of financing, grants and  
1496 loans;

1497 (ii) Any federal funds that can be used for the purposes specified in  
1498 subsection (c) of this section;

1499 (iii) Charitable gifts, grants, contributions as well as loans from  
1500 individuals, corporations, university endowments and philanthropic  
1501 foundations;

1502 (iv) Earnings and interest derived from financing support activities  
1503 for clean energy projects backed by the [authority] Clean Energy  
1504 Finance and Investment Authority;

1505 (v) If and to the extent that the [authority] Clean Energy Finance  
1506 and Investment Authority qualifies as a Community Development  
1507 Financial Institution under Section 4702 of the United States Code,  
1508 funding from the Community Development Financial Institution Fund  
1509 administered by the United States Department of Treasury, as well as  
1510 loans from and investments by depository institutions seeking to  
1511 comply with their obligations under the United States Community  
1512 Reinvestment Act of 1977; and

1513 (vi) The [authority] Clean Energy Finance and Investment Authority  
1514 may enter into contracts with private sources to raise capital. The  
1515 average rate of return on such debt or equity shall be set by the  
1516 [authority's] board of directors of said authority.

1517 (D) The [authority] Clean Energy Finance and Investment Authority  
1518 may provide financing support under this subsection if [the] said  
1519 authority determines that the amount to be financed by [the] said  
1520 authority and other nonequity financing sources do not exceed eighty  
1521 per cent of the cost to develop and deploy a clean energy project or up  
1522 to one hundred per cent of the cost of financing an energy efficiency  
1523 project.

1524 (E) The [authority] Clean Energy Finance and Investment Authority  
1525 may assess reasonable fees on its financing activities to cover its  
1526 reasonable costs and expenses, as determined by the board.

1527 (F) The [authority] Clean Energy Finance and Investment Authority  
1528 shall make information regarding the rates, terms and conditions for  
1529 all of its financing support transactions available to the public for  
1530 inspection, including formal annual reviews by both a private auditor  
1531 conducted pursuant to subdivision (2) of subsection (f) of this section  
1532 and the Comptroller, and providing details to the public on the  
1533 Internet, provided public disclosure shall be restricted for patentable  
1534 ideas, trade secrets, proprietary or confidential commercial or financial  
1535 information, disclosure of which may cause commercial harm to a  
1536 nongovernmental recipient of such financing support and for other  
1537 information exempt from public records disclosure pursuant to section  
1538 1-210.

1539 (3) No director, officer, employee or agent of the [authority] Clean  
1540 Energy Finance and Investment Authority, while acting within the  
1541 scope of his or her authority, shall be subject to any personal liability  
1542 resulting from exercising or carrying out any of the [authority's] Clean  
1543 Energy Finance and Investment Authority's purposes or powers.

1544 (e) The powers of the Clean Energy Finance and Investment

1545 Authority shall be vested in and exercised by a board of directors,  
1546 which shall consist of eleven voting and two nonvoting members each  
1547 with knowledge and expertise in matters related to the purpose and  
1548 activities of [the] said authority appointed as follows: The Treasurer or  
1549 the Treasurer's designee, the Commissioner of Energy and  
1550 Environmental Protection or the commissioner's designee and the  
1551 Commissioner of Economic and Community Development or the  
1552 commissioner's designee, each serving ex officio, one member who  
1553 shall represent a residential or low-income group appointed by the  
1554 speaker of the House of Representatives for a term of four years, one  
1555 member who shall have experience in investment fund management  
1556 appointed by the minority leader of the House of Representatives for a  
1557 term of three years, one member who shall represent an environmental  
1558 organization appointed by the president pro tempore of the Senate for  
1559 a term of four years, and one member who shall have experience in the  
1560 finance or deployment of renewable energy appointed by the minority  
1561 leader of the Senate for a term of four years. Thereafter, such members  
1562 of the General Assembly shall appoint members of the board to  
1563 succeed such appointees whose terms expire and each member so  
1564 appointed shall hold office for a period of four years from the first day  
1565 of July in the year of his or her appointment. The Governor shall  
1566 appoint four members to the board as follows: Two for two years who  
1567 shall have experience in the finance of renewable energy; one for four  
1568 years who shall be a representative of a labor organization; and one  
1569 who shall have experience in research and development or  
1570 manufacturing of clean energy. Thereafter, the Governor shall appoint  
1571 members of the board to succeed such appointees whose terms expire  
1572 and each member so appointed shall hold office for a period of four  
1573 years from the first day of July in the year of his or her appointment.  
1574 The president of the [authority] Clean Energy Finance and Investment  
1575 Authority shall be elected by the members of the board. The president  
1576 of the Clean Energy Finance and Investment Authority and a member  
1577 of the board of Connecticut Innovations, Incorporated, appointed by  
1578 the chairperson of the corporation shall serve on the board in an ex-  
1579 officio, nonvoting capacity. The Governor shall appoint the



1580 chairperson of the board. The board shall elect from its members a vice  
1581 chairperson and such other officers as it deems necessary and shall  
1582 adopt such bylaws and procedures it deems necessary to carry out its  
1583 functions. The board may establish committees and subcommittees as  
1584 necessary to conduct its business.

1585 (f) (1) The board shall issue annually a report to the Department of  
1586 Energy and Environmental Protection reviewing the activities of the  
1587 Clean Energy Finance and Investment Authority in detail and shall  
1588 provide a copy of such report, in accordance with the provisions of  
1589 section 11-4a, to the joint standing committees of the General  
1590 Assembly having cognizance of matters relating to energy and  
1591 commerce. The report shall include a description of the programs and  
1592 activities undertaken during the reporting period jointly or in  
1593 collaboration with the Energy Conservation and Load Management  
1594 Funds established pursuant to section 16-245m, as amended by this  
1595 act.

1596 (2) The Clean Energy Fund shall be audited annually. Such audits  
1597 shall be conducted with generally accepted auditing standards by  
1598 independent certified public accountants certified by the State Board of  
1599 Accountancy. Such accountants may be the accountants for the  
1600 [corporation] Clean Energy Finance and Investment Authority.

1601 (3) Any entity that receives financing for a clean energy project from  
1602 the fund shall provide the board an annual statement, certified as  
1603 correct by the chief financial officer of the recipient of such financing,  
1604 setting forth all sources and uses of funds in such detail as may be  
1605 required by the authority of such project. The [authority] Clean Energy  
1606 Finance and Investment Authority shall maintain any such audits for  
1607 not less than five years. Residential projects for buildings with one to  
1608 four dwelling units are exempt from this and any other annual  
1609 auditing requirements, except that residential projects may be required  
1610 to grant their utility companies' permission to release their usage data  
1611 to the [authority] Clean Energy Finance and Investment Authority.

1612 (g) There shall be a joint committee of the Energy Conservation  
1613 Management Board and the Clean Energy Finance and Investment  
1614 Authority board of directors, as provided in subdivision (2) of  
1615 subsection (d) of section 16-245m, as amended by this act.

1616 Sec. 30. Section 103 of public act 11-80 is repealed and the following  
1617 is substituted in lieu thereof (*Effective from passage*):

1618 (a) The Clean Energy Finance and Investment Authority shall on or  
1619 before March 1, 2012, establish a three-year pilot program to promote  
1620 the development of new combined heat and power projects in  
1621 Connecticut that are below [two] five megawatts in capacity size. The  
1622 program established pursuant to this section shall not exceed fifty  
1623 megawatts. The Clean Energy Finance and Investment Authority shall  
1624 examine the appropriate assistance to provide to each approved  
1625 project. The [authority] Clean Energy Finance and Investment  
1626 Authority shall set one or more standardized grant amounts, loan  
1627 amounts and power purchase agreements for such projects to limit the  
1628 administrative burden of project approvals for the authority and the  
1629 project proponent, including, but not limited to, a per kilowatt cost of  
1630 up to [three] four hundred fifty dollars. Such standardized provisions  
1631 shall seek to minimize costs for the general class of ratepayers,  
1632 ensuring that the project developer has a significant share of the  
1633 financial burden and risk, while ensuring the development of projects  
1634 that benefit Connecticut's economy, ratepayers, and environment. The  
1635 [authority] Clean Energy Finance and Investment Authority may in its  
1636 discretion decline to support a proposed project if the benefits of such  
1637 project to Connecticut's ratepayers, economy and environment,  
1638 including emissions reductions, are too meager to justify ratepayer or  
1639 taxpayer investment.

1640 (b) The Clean Energy Finance and Investment Authority shall  
1641 establish a three-year pilot program to support through loans, grants  
1642 or power purchase agreements sustainable practices and economic  
1643 prosperity of Connecticut farms and other businesses by using organic  
1644 waste with on-site anaerobic digestion facilities to generate electricity

1645 and heat. As part of the pilot program, [the] said authority may  
1646 approve no more than five projects, each of which shall have a  
1647 maximum size of [one thousand five hundred kilowatts] three  
1648 megawatts at a cost of four hundred fifty dollars per kilowatt.

1649 (c) On or before January 1, 2016, the [authority] Clean Energy  
1650 Finance and Investment Authority shall report, in accordance with the  
1651 provisions of section 11-4a of the general statutes, to the joint standing  
1652 committee of the General Assembly having cognizance of matters  
1653 relating to energy regarding the program established pursuant to this  
1654 section and whether such program should continue.

1655 (d) The Clean Energy Finance and Investment Authority shall  
1656 allocate four million dollars annually from the Clean Energy Fund,  
1657 provided two million dollars shall be allocated for combined heat and  
1658 power projects and two million dollars shall be allocated for anaerobic  
1659 digestion projects.

1660 Sec. 31. Subsection (b) of section 16-244r of the 2012 supplement to  
1661 the general statutes is repealed and the following is substituted in lieu  
1662 thereof (*Effective from passage*):

1663 (b) Solicitations conducted by the electric distribution company  
1664 shall be for the purchase of renewable energy credits produced by  
1665 eligible customer-sited generating projects over the duration of the  
1666 long-term contract. For purposes of this section, a long-term contract is  
1667 a contract for fifteen years. The electric distribution company shall be  
1668 entitled to recover the reasonable costs and fees prudently incurred in  
1669 connection with soliciting and filing long-term contracts with the  
1670 authority pursuant to this section through a reconciling,  
1671 nonbypassable component of electric rates as determined by the  
1672 authority, until such company's next scheduled rate case.

1673 Sec. 32. Section 16-244s of the 2012 supplement to the general  
1674 statutes is repealed and the following is substituted in lieu thereof  
1675 (*Effective from passage*):

1676 (a) To procure the long-term contracts described in section 16-244r,  
1677 as amended by this act, each electric distribution company shall, not  
1678 later than one hundred eighty days after July 1, 2011, propose a six-  
1679 year solicitation plan that shall include (1) a timetable and  
1680 methodology for soliciting proposals for the long-term purchase of  
1681 renewable energy credits from in-state generators of Class I  
1682 technologies that emit no pollutants and are not more than one  
1683 megawatt in size, and (2) declining annual incentives during each of  
1684 the six years of the program. The electric distribution company's  
1685 solicitation plan shall be subject to the review and approval of the  
1686 Public Utilities Regulatory Authority.

1687 (b) The electric distribution company's approved solicitation plan  
1688 shall be designed to foster a diversity of project sizes and participation  
1689 among all eligible customer classes subject to cost-effectiveness  
1690 considerations. Separate procurement processes shall be conducted for  
1691 (1) systems up to one hundred kilowatts; (2) systems greater than one  
1692 hundred kilowatts but less than two hundred fifty kilowatts; and (3)  
1693 systems between two hundred fifty and one thousand kilowatts. The  
1694 Public Utilities Regulatory Authority shall give preference to  
1695 competitive bidding for resources of more than one hundred kilowatts,  
1696 with bids ranked in order on the basis of lowest net present value of  
1697 required renewable energy credit price, unless the authority  
1698 determines that an alternative methodology is in the best interests of  
1699 the electric distribution company's customers and the development of  
1700 a competitive and self-sustaining market. Systems up to one hundred  
1701 kilowatts in size shall be eligible to receive, on an ongoing and  
1702 continuous basis, a renewable energy credit offer price equivalent to  
1703 the weighted average accepted bid price in the most recent solicitation  
1704 for systems greater than one hundred kilowatts but less than two  
1705 hundred fifty kilowatts, plus an additional incentive of ten per cent.  
1706 The electric distribution company shall be entitled to recover the  
1707 reasonable costs and fees prudently incurred in connection with the  
1708 preparation of a solicitation plan pursuant to this section through a  
1709 reconciling, nonbypassable component of electric rates as determined

1710 by the authority.

1711 (c) Each electric distribution company shall execute its approved  
1712 six-year solicitation plan and submit to the Public Utilities Regulatory  
1713 Authority for review and approval of its preferred procurement plan  
1714 comprised of any proposed contract or contracts with independent  
1715 developers. If an electric distribution company's solicitation does not  
1716 result in proposed contracts totaling the annual expenditure pursuant  
1717 to subsection (a) of section 16-244r and the Public Utilities Regulatory  
1718 Authority has reduced the cap price by more than three per cent  
1719 pursuant to subsection (c) of section 16-244r, the authority shall, within  
1720 ninety days, issue a request for proposals for additional contracts. The  
1721 authority shall approve contract proposals submitted in response to  
1722 such request on a least-cost basis, provided an electric distribution  
1723 company shall not be required to enter into a contract that provides for  
1724 a payment in any year of the contract that exceeds the renewable  
1725 energy price cap for the prior year, [by] less [than] three per cent.

1726 (d) The Public Utilities Regulatory Authority shall hold a hearing  
1727 that shall be conducted as an uncontested case, in accordance with the  
1728 provisions of chapter 54, to approve, reject or modify an [application  
1729 for approval of the] electric distribution company's procurement plan.  
1730 The authority shall only [approve such proposed plan] issue an  
1731 approval for a plan or modification of a plan if the authority finds that  
1732 (1) the solicitation and evaluation conducted by the electric  
1733 distribution company was the result of a fair, open, competitive and  
1734 transparent process; (2) approval of the procurement plan would result  
1735 in the greatest expected ratepayer value from energy from Class I or  
1736 renewable energy credits at the lowest reasonable cost; and (3) such  
1737 procurement plan or any modification satisfies other criteria  
1738 established in the approved solicitation plan. The authority shall not  
1739 approve any proposal made under such plan unless it determines that  
1740 the plan and proposals encompass all foreseeable sources of revenue  
1741 or benefits and that such proposals, together with such revenue or  
1742 benefits, would result in the greatest expected ratepayer value from  
1743 energy technologies that emit no pollutants or renewable energy

1744 credits. The authority may, in its discretion, retain the services of an  
1745 independent consultant with expertise in the area of energy  
1746 procurement to assist in such determination. The independent  
1747 consultant shall be unaffiliated with the electric distribution company  
1748 or its affiliates and shall not, directly or indirectly, have benefited from  
1749 employment or contracts with the electric distribution company or its  
1750 affiliates in the preceding five years, except as an independent  
1751 consultant. The electric distribution company shall provide the  
1752 independent consultant immediate and continuing access to all  
1753 documents and data reviewed, used or produced by the electric  
1754 distribution company in its bid solicitation and evaluation process. The  
1755 electric distribution company shall make all its personnel, agents and  
1756 contractors used in the bid solicitation and evaluation available for  
1757 interview by the consultant. The electric distribution company shall  
1758 conduct any additional modeling requested by the independent  
1759 consultant to test the assumptions and results of the bid evaluation  
1760 process. The independent consultant shall not participate in or advise  
1761 the electric distribution company with respect to any decisions in the  
1762 bid solicitation or bid evaluation process. The authority's  
1763 administrative costs in reviewing the electric distribution company's  
1764 procurement plan and the costs of the consultant shall be recovered  
1765 through a reconciling, nonbypassable component of electric rates as  
1766 determined by the authority.

1767 (e) The electric distribution company shall be entitled to recover its  
1768 reasonable costs and fees prudently incurred of complying with its  
1769 approved procurement plan through a reconciling, nonbypassable  
1770 component of electric rates as determined by the authority. Nothing in  
1771 this section shall preclude the resale or other disposition of energy or  
1772 associated renewable energy credits purchased by the electric  
1773 distribution company, provided the distribution company shall net the  
1774 cost of payments made to projects under the long-term contracts  
1775 against the proceeds of the sale of energy or renewable energy credits  
1776 and the difference shall be credited or charged to distribution  
1777 customers through a reconciling component of electric rates as

1778 determined by the authority that is nonbypassable when switching  
1779 electric suppliers.

1780 (f) Failure by the electric distribution company to execute its  
1781 approved solicitation plan shall result in a noncompliance fee. Unless,  
1782 upon petition by the electric distribution company, the authority  
1783 grants the distribution company an extension not to exceed ninety  
1784 days to correct this deficiency, the electric distribution company shall  
1785 be assessed a noncompliance fee one hundred twenty-five per cent of  
1786 the difference between the annual distribution company expenditures  
1787 required pursuant to subsection (c) of section 16-244r and the  
1788 contractually committed expenditure for renewable energy credits  
1789 from eligible zero emissions customer-sited generating projects in that  
1790 year. The noncompliance fees associated with the procurement  
1791 shortfall shall be collected by the distribution company, maintained in  
1792 a separate interest-bearing account and disbursed to the [department]  
1793 authority on a quarterly basis. Funds collected by the authority  
1794 pursuant to this section shall be used to support the deployment of  
1795 Class I zero emissions generating systems installed in the state with  
1796 priority given to otherwise underserved market segments, including,  
1797 but not limited to, low-income housing, schools and other public  
1798 buildings and nonprofits. The authority may waive a noncompliance  
1799 fee assessed pursuant to this section if the authority determines that  
1800 meeting the requirements of this subsection would be commercially  
1801 infeasible.

1802 (g) Not later than sixty days after its approval of the distribution  
1803 company procurement plans submitted on or before January 1, 2013,  
1804 the Public Utilities Regulatory Authority shall submit a report to the  
1805 joint standing committee of the General Assembly having cognizance  
1806 of matters relating to energy. The report shall document for each  
1807 distribution company procurement plan: (1) The total number of  
1808 renewable energy credits bid relative to the number of renewable  
1809 energy credits requested by the distribution company; (2) the total  
1810 number of bidders in each market segment; (3) the number and value  
1811 of contracts awarded; (4) the total weighted average price of the

1812 renewable energy credits or energy so purchased; and (5) the extent to  
1813 which the costs of the technology has been reduced. The authority  
1814 shall not report individual bid information or other proprietary  
1815 information.

1816 Sec. 33. Subsection (b) of section 16-244t of the 2012 supplement to  
1817 the general statutes is repealed and the following is substituted in lieu  
1818 thereof (*Effective from passage*):

1819 (b) Solicitations conducted by the electric distribution company  
1820 shall be for the purchase of renewable energy credits produced by  
1821 eligible customer-sited generating projects over the duration of the  
1822 contract. The electric distribution company shall be entitled to recover  
1823 the reasonable costs and fees prudently incurred in connection with  
1824 soliciting and filing power purchase contracts with the authority  
1825 pursuant to this section through a reconciling, nonbypassable  
1826 component of electric rates as determined by the authority, until such  
1827 company's next scheduled rate case.

1828 Sec. 34. Section 16a-37u of the 2012 supplement to the general  
1829 statutes is repealed and the following is substituted in lieu thereof  
1830 (*Effective from passage*):

1831 (a) The Commissioner of Energy and Environmental Protection  
1832 shall be responsible for planning and managing energy use in state-  
1833 owned and leased buildings and shall establish a program to maximize  
1834 the efficiency with which energy is utilized in such buildings. The  
1835 commissioner shall exercise this authority by (1) preparing and  
1836 implementing annual and long-range plans, with timetables,  
1837 establishing goals for reducing state energy consumption and, based  
1838 on energy audits, specific objectives for state agencies to meet the  
1839 performance standards adopted under section 16a-38; (2) coordinating  
1840 federal and state energy conservation resources and activities,  
1841 including but not limited to, those required to be performed by other  
1842 state agencies under this chapter; and (3) monitoring energy use and  
1843 costs by budgeted state agencies on a monthly basis.



1844 (b) On or before July 1, 2012, the commissioner, in consultation with  
1845 the Department of Administrative Services, shall develop a plan to  
1846 reduce energy use in buildings owned or leased by the state by  
1847 January 1, 2013, by at least ten per cent from its current consumption  
1848 and by January 1, 2018, by an additional ten per cent. Such plan shall  
1849 include, but not be limited to, (1) assessing current energy  
1850 consumption for all fuels used in state-owned buildings, (2)  
1851 identifying not less than one hundred such buildings with the highest  
1852 aggregate energy costs in the fiscal year ending June 30, 2011, (3)  
1853 establishing targets for conducting energy audits of such buildings,  
1854 and (4) determining which energy efficiency measures are most cost-  
1855 effective for such buildings. Such plan shall provide for the financing  
1856 of such measures through the use of energy-savings performance  
1857 contracting, pursuant to subsection (c) of this section, bonding or other  
1858 means.

1859 (c) Any state agency or municipality may enter into an energy-  
1860 savings performance contract, as defined in section 16a-37x, with a  
1861 qualified energy service provider, as defined in said section 16a-37x, to  
1862 produce utility cost savings, as defined in said section 16a-37x, or  
1863 operation and maintenance cost savings, as defined in said section 16a-  
1864 37x. Any energy-savings measure, as defined in said section 16a-37x,  
1865 implemented under such contracts shall comply with state [or local]  
1866 building codes and local building requirements. Any state agency or  
1867 municipality may implement other capital improvements in  
1868 conjunction with an energy-savings performance contract as long as  
1869 the measures that are being implemented to achieve utility and  
1870 operation and maintenance cost savings and other capital  
1871 improvements are in the aggregate cost effective over the term of the  
1872 contract.

1873 (d) On or before January 1, 2013, and annually thereafter, the  
1874 commissioner shall report, in accordance with the provisions of section  
1875 11-4a, on the status of its implementation of the plan and provide  
1876 recommendations regarding energy use in state buildings to the joint  
1877 standing committee of the General Assembly having cognizance of

1878 matters relating to energy. Any such report may be submitted  
1879 electronically, provided one paper copy of such report is submitted to  
1880 said committee.

1881 (e) Not later than January fifth, annually, the commissioner shall  
1882 submit a report to the Governor and the joint standing committee of  
1883 the General Assembly having cognizance of matters relating to energy  
1884 planning and activities. The report shall (1) indicate the total number  
1885 of energy audits and technical assistance audits of state-owned and  
1886 leased buildings, (2) summarize the status of the energy conservation  
1887 measures recommended by such audits, (3) summarize all energy  
1888 conservation measures implemented during the preceding twelve  
1889 months in state-owned and leased buildings which have not had such  
1890 audits, (4) analyze the availability and allocation of funds to  
1891 implement the measures recommended under subdivision (2) of this  
1892 subsection, (5) list each budgeted agency, as defined in section 4-69,  
1893 which occupies a state-owned or leased building and has not  
1894 cooperated with the Commissioner of Administrative Services and the  
1895 Commissioner of Energy and Environmental Protection in conducting  
1896 energy and technical assistance audits of such building and  
1897 implementing operational and maintenance improvements  
1898 recommended by such audits and any other energy conservation  
1899 measures required for such building by the [secretary] Commissioner  
1900 of Energy and Environmental Protection, in consultation with the  
1901 Secretary of the Office of Policy and Management, (6) summarize all  
1902 life-cycle cost analyses prepared under section 16a-38 during the  
1903 preceding twelve months, and summarize agency compliance with the  
1904 life-cycle cost analyses, and (7) identify any state laws, regulations or  
1905 procedures that impede innovative energy conservation and load  
1906 management projects in state buildings. Any such report may be  
1907 submitted electronically.

1908 (f) The commissioner, in conjunction with the Department of  
1909 Administrative Services, shall as soon as practicable and where cost-  
1910 effective connect all state-owned buildings to a district heating and  
1911 cooling system, where such heating and cooling system currently

1912 exists or where one is proposed. The commissioner, in conjunction  
1913 with the Department of Administrative Services, shall prepare an  
1914 annual report with the results of the progress in connecting state-  
1915 owned buildings to such a heating and cooling system, the cost of such  
1916 connection and any projected energy savings achieved through any  
1917 such connection. The commissioner shall submit the report to the joint  
1918 standing committee of the General Assembly having cognizance of  
1919 matters relating to energy on or before January 1, 1993, and January  
1920 first annually thereafter.

1921 (g) The commissioner shall require each state agency to maximize  
1922 its use of public service companies' energy conservation and load  
1923 management programs and to provide sites in its facilities for  
1924 demonstration projects of highly energy efficient equipment, provided  
1925 no such demonstration project impairs the functioning of the facility.

1926 (h) The commissioner, in consultation with the Department of  
1927 Administrative Services, shall establish energy efficiency standards for  
1928 building space leased by the state on or after January 1, 2013.

1929 Sec. 35. Subsection (a) of section 16-244v of the 2012 supplement to  
1930 the general statutes is repealed and the following is substituted in lieu  
1931 thereof (*Effective from passage*):

1932 (a) Notwithstanding subsection (a) of section 16-244e, an electric  
1933 distribution company, or owner or developer of generation projects,  
1934 [that emit no pollutants,] may submit a proposal to the Department of  
1935 Energy and Environmental Protection to build, own or operate one or  
1936 more generation facilities up to an aggregate of thirty megawatts using  
1937 Class I renewable energy sources as defined in section 16-1 from July 1,  
1938 2011, to July 1, 2013. Each facility shall be greater than [one megawatt]  
1939 four hundred kilowatts but not more than five megawatts. Each  
1940 electric distribution company may enter into joint ownership  
1941 agreements, partnerships or other agreements with private developers  
1942 to carry out the provisions of this section. The aggregate ownership for  
1943 an electric distribution company pursuant to this section shall not

1944 exceed ten megawatts. The department shall evaluate such proposals  
1945 pursuant to sections 16-19 and 16-19e, as amended by this act, and may  
1946 approve one or more of such proposals if it finds that the proposal  
1947 serves the long-term interest of ratepayers. The department (1) shall  
1948 not approve any proposal supported in any form of cross subsidization  
1949 by entities affiliated with the electric distribution company, and (2)  
1950 shall give preference to proposals that make efficient use of existing  
1951 sites and supply infrastructure. No such company may, under any  
1952 circumstances, recover more than the full costs identified in a proposal,  
1953 as approved by the department. Nothing in this section shall preclude  
1954 the resale or other disposition of energy or associated renewable  
1955 energy credits purchased by the electric distribution company,  
1956 provided the distribution company shall net the cost of payments  
1957 made to projects under the long-term contracts against the proceeds of  
1958 the sale of energy or renewable energy credits and the difference shall  
1959 be credited or charged to distribution customers through a reconciling  
1960 component of electric rates as determined by the authority that is  
1961 nonbypassable when switching electric suppliers.

1962 Sec. 36. Section 16a-46h of the 2012 supplement to the general  
1963 statutes is repealed and the following is substituted in lieu thereof  
1964 (*Effective from passage*):

1965 (a) Each electric, gas or heating fuel customer, regardless of heating  
1966 source, shall be assessed [the same] fees, charges, co-pays or other  
1967 similar terms to access any audits administered by the Home Energy  
1968 Solutions program [, provided the costs of subsidizing such audits to  
1969 ratepayers whose primary source of heat is not electricity or natural  
1970 gas shall not exceed five hundred thousand dollars per year] that  
1971 reflect the contributions made to the Energy Efficiency Fund by each  
1972 such customer's respective customer type, provided such fees, charges,  
1973 copays and other similar terms shall not exceed a total of ninety-nine  
1974 dollars for any such audit.

1975 (b) After August 1, 2013, the costs of subsidizing such audits to  
1976 ratepayers whose primary source of heat is not electricity or natural

1977 gas shall not exceed five hundred thousand dollars per year.

1978 Sec. 37. Section 16a-46i of the 2012 supplement to the general  
1979 statutes is repealed and the following is substituted in lieu thereof  
1980 (*Effective from passage*):

1981 On or before October 1, 2011, the Department of Energy and  
1982 Environmental Protection shall establish a natural gas and heating oil  
1983 conversion program to allow a gas or heating oil company to finance  
1984 the conversion to gas heat or home heating oil by potential residential  
1985 customers who heat their homes with electricity. The [department]  
1986 Commissioner of Energy and Environmental Protection shall, [adopt  
1987 regulations in accordance with the provisions of chapter 54 to establish  
1988 procedures and terms for such program and shall,] on or before  
1989 January 1, 2012, and annually thereafter, report in accordance with the  
1990 provisions of section 11-4a, to the joint standing committees of the  
1991 General Assembly having cognizance of matters relating to energy and  
1992 the environment regarding the progress of such program. Any such  
1993 report may be submitted electronically, provided one paper copy of  
1994 such report is submitted to said committee.

1995 Sec. 38. Section 12-217mm of the 2012 supplement to the general  
1996 statutes is repealed and the following is substituted in lieu thereof  
1997 (*Effective from passage*):

1998 (a) As used in this section:

1999 (1) "Allowable costs" means the amounts chargeable to a capital  
2000 account, including, but not limited to: (A) Construction or  
2001 rehabilitation costs; (B) commissioning costs; (C) architectural and  
2002 engineering fees allocable to construction or rehabilitation, including  
2003 energy modeling; (D) site costs, such as temporary electric wiring,  
2004 scaffolding, demolition costs and fencing and security facilities; and (E)  
2005 costs of carpeting, partitions, walls and wall coverings, ceilings,  
2006 lighting, plumbing, electrical wiring, mechanical, heating, cooling and  
2007 ventilation but "allowable costs" does not include the purchase of land,  
2008 any remediation costs or the cost of telephone systems or computers;

2009 (2) "Brownfield" has the same meaning as in subsection (g) of  
2010 section 32-9cc;

2011 (3) "Eligible project" means a real estate development project that is  
2012 designed to meet or exceed the applicable LEED Green Building  
2013 Rating System gold certification or other certification determined by  
2014 the Commissioner of Energy and Environmental Protection to be  
2015 equivalent, but if a single project has more than one building, "eligible  
2016 project" means only the building or buildings within such project that  
2017 is designed to meet or exceed the applicable LEED Green Building  
2018 Rating System gold certification or other certification determined by  
2019 the Commissioner of Energy and Environmental Protection to be  
2020 equivalent;

2021 (4) "Energy Star" means the voluntary labeling program  
2022 administered by the United States Environmental Protection Agency  
2023 designed to identify and promote energy-efficient products,  
2024 equipment and buildings;

2025 (5) "Enterprise zone" means an area in a municipality designated by  
2026 the Commissioner of Economic and Community Development as an  
2027 enterprise zone in accordance with the provisions of section 32-70;

2028 (6) "LEED Accredited Professional Program" means the professional  
2029 accreditation program for architects, engineers and other building  
2030 professionals as administered by the United States Green Building  
2031 Council;

2032 (7) "LEED Green Building Rating System" means the Leadership in  
2033 Energy and Environmental Design green building rating system  
2034 developed by the United States Green Building Council as of the date  
2035 that the project is registered with the United States Green Building  
2036 Council;

2037 (8) "Mixed-use development" means a development consisting of  
2038 one or more buildings that includes residential use and in which no  
2039 more than seventy-five per cent of the interior square footage has at

2040 least one of the following uses: (A) Commercial use; (B) office use; (C)  
2041 retail use; or (D) any other nonresidential use that the [Secretary of the  
2042 Office of Policy and Management] Commissioner of Energy and  
2043 Environmental Protection determines does not pose a public health  
2044 threat or nuisance to nearby residential areas;

2045 (9) "Secretary" means the Secretary of the Office of Policy and  
2046 Management; [and]

2047 (10) "Site improvements" means any construction work on, or  
2048 improvement to, streets, roads, parking facilities, sidewalks, drainage  
2049 structures and utilities; and

2050 (11) "Commissioner" means the Commissioner of Energy and  
2051 Environmental Protection.

2052 (b) For income years commencing on and after January 1, 2012,  
2053 there may be allowed a credit for all taxpayers against any tax due  
2054 under the provisions of this chapter for the construction or renovation  
2055 of an eligible project that meets the requirements of subsection (c) of  
2056 this section, and, in the case of a newly constructed building, for which  
2057 a certificate of occupancy has been issued not earlier than January 1,  
2058 2010.

2059 (c) (1) To be eligible for a tax credit under this section a project shall:  
2060 (A) Not have energy use that exceeds (i) seventy per cent of the energy  
2061 use permitted by the state building code for new construction, or (ii)  
2062 eighty per cent of the energy use permitted by the state energy code  
2063 for renovation or rehabilitation of a building; and (B) use equipment  
2064 and appliances that meet Energy Star standards, if applicable,  
2065 including, but not limited to, refrigerators, dishwashers and washing  
2066 machines.

2067 (2) The credit shall be equivalent to a base credit as follows: (A) For  
2068 new construction or major renovation of a building but not other site  
2069 improvements certified by the LEED Green Building Rating System or  
2070 other system determined by the Commissioner of Energy and

2071 Environmental Protection to be equivalent, (i) eight per cent of  
2072 allowable costs for a gold rating or other rating determined by the  
2073 Commissioner of Energy and Environmental Protection to be  
2074 equivalent, and (ii) ten and one-half per cent of allowable costs for a  
2075 platinum rating or other rating determined by the Commissioner of  
2076 Energy and Environmental Protection to be equivalent; and (B) for core  
2077 and shell or commercial interior projects, (i) five per cent of allowable  
2078 costs for a gold rating or other rating determined by the Commissioner  
2079 of Energy and Environmental Protection to be equivalent, and (ii)  
2080 seven per cent of allowable costs for a platinum rating or other rating  
2081 determined by the Commissioner of Energy and Environmental  
2082 Protection to be equivalent. There shall be added to the base credit  
2083 one-half of one per cent of allowable costs for a development project  
2084 that is (I) a mixed-use development, (II) located in a brownfield or  
2085 enterprise zone, (III) does not require a sewer extension of more than  
2086 one-eighth of a mile, or (IV) located within one-quarter of a mile  
2087 walking distance of publicly available bus transit service or within  
2088 one-half of a mile walking distance of adequate rail, light rail, streetcar  
2089 or ferry transit service, provided, if a single project has more than one  
2090 building, at least one building shall be located within either such  
2091 distance. Allowable costs shall not exceed two hundred fifty dollars  
2092 per square foot for new construction or one hundred fifty dollars per  
2093 square foot for renovation or rehabilitation of a building.

2094 (d) (1) The [Secretary of the Office of Policy and Management may]  
2095 commissioner shall, in consultation with the Secretary of the Office of  
2096 Policy and Management, issue an initial credit voucher upon  
2097 determination that the applicant is likely, within a reasonable time, to  
2098 place in service property qualifying for a credit under this section.  
2099 Such voucher shall state: (A) The first income year for which the credit  
2100 may be claimed, (B) the maximum amount of credit allowable, and (C)  
2101 the expiration date by which such property shall be placed in service.  
2102 The expiration date may be extended at the discretion of the [secretary]  
2103 commissioner. Such voucher shall reserve the credit allowable for the  
2104 applicant named in the application until the expiration date. If the



2105 expiration date is extended, the reservation of the tax credit may also  
2106 be extended at the discretion of the [secretary] commissioner.

2107 (2) The aggregate amount of all tax credits in initial credit vouchers  
2108 issued by the [secretary] commissioner shall not exceed twenty-five  
2109 million dollars.

2110 (3) For each income year for which a taxpayer claims a credit under  
2111 this section, the taxpayer shall obtain an eligibility certificate from an  
2112 architect or professional engineer licensed to practice in this state and  
2113 accredited through the LEED Accredited Professional Program or  
2114 other program determined by the Commissioner of Energy and  
2115 Environmental Protection to be equivalent. Such certificate shall  
2116 consist of a certification, under the seal of such architect or engineer,  
2117 that the building, base building or tenant space with respect to which  
2118 the credit is claimed, meets or exceeds the applicable LEED Green  
2119 Building Rating System gold certification, or other certification  
2120 determined by the Commissioner of Energy and Environmental  
2121 Protection to be equivalent in effect at the time such certification is  
2122 made. Such certification shall set forth the specific findings upon  
2123 which the certification is based and shall state that the architect or  
2124 engineer is accredited through the LEED Accredited Professional  
2125 Program or other program determined by the Commissioner of Energy  
2126 and Environmental Protection to be equivalent.

2127 (4) To obtain the credit, the taxpayer shall file the initial credit  
2128 voucher described in subdivision (1) of this subsection, the eligibility  
2129 certificate described in subdivision (3) of this subsection and an  
2130 application to claim the credit with the Commissioner of Revenue  
2131 Services. The [commissioner] Commissioner of Revenue Services shall  
2132 approve the claim upon determination that the taxpayer has submitted  
2133 the voucher and certification required under this subdivision. The  
2134 applicant shall send a copy of all such documents to the [secretary]  
2135 Commissioner of Energy and Environmental Protection.

2136 (e) (1) A taxpayer may claim not more than a total of twenty-five per

2137 cent of allowable costs in any income year, and any percentage of tax  
2138 credit that the taxpayer would otherwise be entitled to in accordance  
2139 with subsection (c) of this section may be carried forward for a period  
2140 of not more than five years.

2141 (2) Tax credits are fully assignable and transferable. A project  
2142 owner, including, but not limited to, a nonprofit or institutional project  
2143 organization, may transfer a tax credit to a pass-through partner in  
2144 return for a lump sum cash payment.

2145 (f) Notwithstanding any provision of the general statutes, any  
2146 subsequent successor in interest to the property that is eligible for a  
2147 credit in accordance with subsection (c) of this section may claim such  
2148 credit if the deed transferring the property assigns the subsequent  
2149 successor such right, unless the deed specifies that the seller shall  
2150 retain the right to claim such credit. Any subsequent tenant of a  
2151 building for which a credit was granted to a taxpayer pursuant to this  
2152 section may claim the credit for the period after the termination of the  
2153 previous tenancy that such credit would have been allowable to the  
2154 previous tenant.

2155 (g) The [Secretary of the Office of Policy and Management]  
2156 commissioner shall establish a uniform application fee, in an amount  
2157 not to exceed ten thousand dollars, which shall cover all direct costs of  
2158 administering the tax credit program established pursuant to this  
2159 section. Said [secretary] commissioner may hire a private consultant or  
2160 outside firm to administer and review applications for said program.

2161 (h) On or before July 1, 2013, the [secretary] commissioner, in  
2162 consultation with the Commissioner of Revenue Services, shall prepare  
2163 and submit to the Governor and the joint standing committees of the  
2164 General Assembly having cognizance of matters relating to planning  
2165 and development and finance, revenue and bonding, a written report  
2166 containing (1) the number of taxpayers applying for the credits  
2167 provided in this section; (2) the amount of such credits granted; (3) the  
2168 geographical distribution of such credits granted; and (4) any other

2169 information the [secretary] commissioner deems appropriate. A  
2170 preliminary draft of the report shall be submitted on or before July 1,  
2171 2012, to the Governor and the joint standing committees of the General  
2172 Assembly having cognizance of matters relating to planning and  
2173 development and finance, revenue and bonding. Such reports shall be  
2174 submitted in accordance with the provisions of section 11-4a.

2175 [(i) Not later than January 1, 2011, the secretary, in consultation with  
2176 the Commissioner of Revenue Services, shall adopt regulations, in  
2177 accordance with the provisions of chapter 54, as necessary to  
2178 implement the provisions of this section.]

2179 Sec. 39. (NEW) (*Effective from passage*) To the extent that any  
2180 provision of title 16 or 16a of the general statutes authorizes the  
2181 Department of Energy and Environmental Protection to adopt  
2182 regulations, the authority to adopt such regulations shall be exercised  
2183 by the Commissioner of Energy and Environmental Protection or the  
2184 commissioner's designee.

2185 Sec. 40. (NEW) (*Effective from passage*) (a) As used in this section:

2186 (1) "Energy improvements" means any renovation or retrofitting of  
2187 qualifying commercial real property to reduce energy consumption or  
2188 installation of a renewable energy system to service qualifying  
2189 commercial real property, provided such renovation, retrofit or  
2190 installation is permanently fixed to such qualifying commercial real  
2191 property;

2192 (2) "Qualifying commercial real property" means any commercial or  
2193 industrial property, regardless of ownership, that meets the  
2194 qualifications established for the commercial sustainable energy  
2195 program;

2196 (3) "Commercial or industrial property" means any real property  
2197 other than a residential dwelling containing less than five dwelling  
2198 units;

2199 (4) "Benefitted property owner" means an owner of qualifying  
2200 commercial real property who desires to install energy improvements  
2201 and provides free and willing consent to the benefit assessment against  
2202 the qualifying commercial real property;

2203 (5) "Commercial sustainable energy program" means a program that  
2204 facilitates energy improvements and utilizes the benefit assessments  
2205 authorized by this section as security for the financing of the energy  
2206 improvements;

2207 (6) "Municipality" means a municipality, as defined in section 7-369  
2208 of the general statutes;

2209 (7) "Benefit assessment" means the assessment authorized by this  
2210 section;

2211 (8) "Participating municipality" means a municipality that has  
2212 entered into a written agreement, as approved by its legislative body,  
2213 with the authority pursuant to which the municipality has agreed to  
2214 assess, collect, remit and assign, benefit assessments to the authority in  
2215 return for energy improvements for benefitted property owners within  
2216 such municipality and costs reasonably incurred in performing such  
2217 duties; and

2218 (9) "Authority" means the Clean Energy Finance and Investment  
2219 Authority.

2220 (b) (1) The authority shall establish a commercial sustainable energy  
2221 program in the state, and in furtherance thereof, is authorized to make  
2222 appropriations for and issue bonds, notes or other obligations for the  
2223 purpose of financing, (A) energy improvements; (B) related energy  
2224 audits; (C) renewable energy system feasibility studies; and (D)  
2225 verification reports of the installation and effectiveness of such  
2226 improvements. The bonds, notes or other obligations shall be issued in  
2227 accordance with legislation authorizing the authority to issue bonds,  
2228 notes or other obligations generally. Such bonds, notes or other  
2229 obligations may be secured as to both principal and interest by a

2230 pledge of revenues to be derived from the commercial sustainable  
2231 energy program, including revenues from benefit assessments on  
2232 qualifying commercial real property, as authorized in this section.

2233 (2) When the authority has made appropriations for energy  
2234 improvements for qualifying commercial real property or other costs  
2235 of the commercial sustainable energy program, including interest costs  
2236 and other costs related to the issuance of bonds, notes or other  
2237 obligations to finance the appropriation, the authority may require the  
2238 participating municipality in which the qualifying commercial real  
2239 property is located to levy a benefit assessment against the qualifying  
2240 commercial real property especially benefited thereby.

2241 (3) The authority (A) shall develop program guidelines governing  
2242 the terms and conditions under which state financing may be made  
2243 available to the commercial sustainable energy program, including, in  
2244 consultation with representatives from the banking industry,  
2245 municipalities and property owners, developing the parameters for  
2246 consent by existing mortgage holders and may serve as an aggregating  
2247 entity for the purpose of securing state or private third-party financing  
2248 for energy improvements pursuant to this section, (B) shall establish  
2249 the position of commercial sustainable energy program liaison within  
2250 the authority, (C) shall establish a loan loss reserve or other credit  
2251 enhancement program for qualifying commercial real property, (D)  
2252 may use the services of one or more private, public or quasi-public  
2253 third-party administrators to administer, provide support or obtain  
2254 financing for the commercial sustainable energy program, and (E) shall  
2255 adopt standards to ensure that the energy cost savings of the energy  
2256 improvements over the useful life of such improvements exceed the  
2257 costs of such improvements.

2258 (c) Before establishing a commercial sustainable energy program  
2259 under this section, the authority shall provide notice to the electric  
2260 distribution company, as defined in section 16-1 of the general statutes,  
2261 that services the participating municipality.

2262 (d) If a benefitted property owner requests financing from the  
2263 authority for energy improvements under this section, the authority  
2264 shall:

2265 (1) Require performance of an energy audit or renewable energy  
2266 system feasibility analysis on the qualifying commercial real property  
2267 that assesses the expected energy cost savings of the energy  
2268 improvements over the useful life of such improvements before  
2269 approving such financing;

2270 (2) If financing is approved, require the participating municipality  
2271 to levy a benefit assessment on the qualifying commercial real  
2272 property with the property owner in a principal amount sufficient to  
2273 pay the costs of the energy improvements and any associated costs the  
2274 authority determines will benefit the qualifying commercial real  
2275 property;

2276 (3) Impose requirements and criteria to ensure that the proposed  
2277 energy improvements are consistent with the purpose of the  
2278 commercial sustainable energy program;

2279 (4) Impose requirements and conditions on the financing to ensure  
2280 timely repayment, including, but not limited to, procedures for placing  
2281 a lien on a property as security for the repayment of the benefit  
2282 assessment; and

2283 (5) Require that the property owner provide written notice, not less  
2284 than thirty days prior to the recording of any lien securing a benefit  
2285 assessment for energy improvements for such property, to any existing  
2286 mortgage holder of such property, of the property owner's intent to  
2287 finance such energy improvements pursuant to this section.

2288 (e) (1) The authority may enter into a financing agreement with the  
2289 property owner of qualifying commercial real property. After such  
2290 agreement is entered into, and upon notice from the authority, the  
2291 participating municipality shall place a caveat on the land records  
2292 indicating that a benefit assessment and lien is anticipated upon

2293 completion of energy improvements for such property.

2294 (2) The authority shall disclose to the property owner the costs and  
2295 risks associated with participating in the commercial sustainable  
2296 energy program established by this section, including risks related to  
2297 the failure of the property owner to pay the benefit assessment. The  
2298 authority shall disclose to the property owner the effective interest rate  
2299 of the benefit assessment, including fees charged by the authority to  
2300 administer the program, and the risks associated with variable interest  
2301 rate financing. The authority shall notify the property owner that such  
2302 owner may rescind any financing agreement entered into pursuant to  
2303 this section not later than three business days after such agreement.

2304 (f) The authority shall set a fixed or variable rate of interest for the  
2305 repayment of the benefit assessment amount at the time the benefit  
2306 assessment is made. Such interest rate, as may be supplemented with  
2307 state or federal funding as may become available, shall be sufficient to  
2308 pay the financing and administrative costs of the commercial  
2309 sustainable energy program, including delinquencies.

2310 (g) Benefit assessments levied pursuant to this section and the  
2311 interest, fees and any penalties thereon shall constitute a lien against  
2312 the qualifying commercial real property on which they are made until  
2313 they are paid. Such lien shall be levied and collected in the same  
2314 manner as the property taxes of the participating municipality on real  
2315 property, including, in the event of default or delinquency, with  
2316 respect to any penalties, fees and remedies and lien priorities. Each  
2317 such lien may be continued, recorded and released in the manner  
2318 provided for property tax liens, subject to the consent of existing  
2319 mortgage holders, and shall take precedence over all other liens or  
2320 encumbrances except a lien for taxes of the municipality on real  
2321 property, which lien for taxes shall have priority over such benefit  
2322 assessment lien.

2323 (h) Any participating municipality may assign to the authority any  
2324 and all liens filed by the tax collector, as provided in the written

2325 agreement between the participating municipality and the authority.  
2326 The authority may sell or assign, for consideration, any and all liens  
2327 received from the participating municipality. The consideration  
2328 received by the authority shall be negotiated between the authority  
2329 and the assignee. The assignee or assignees of such liens shall have and  
2330 possess the same powers and rights at law or in equity as the authority  
2331 and the participating municipality and its tax collector would have had  
2332 if the lien had not been assigned with regard to the precedence and  
2333 priority of such lien, the accrual of interest and the fees and expenses  
2334 of collection. The assignee shall have the same rights to enforce such  
2335 liens as any private party holding a lien on real property, including,  
2336 but not limited to, foreclosure and a suit on the debt. Costs and  
2337 reasonable attorneys' fees incurred by the assignee as a result of any  
2338 foreclosure action or other legal proceeding brought pursuant to this  
2339 section and directly related to the proceeding shall be taxed in any  
2340 such proceeding against each person having title to any property  
2341 subject to the proceedings. Such costs and fees may be collected by the  
2342 assignee at any time after demand for payment has been made by the  
2343 assignee.

2344 Sec. 41. Subdivision (2) of subsection (a) of section 7-121n of the 2012  
2345 supplement to the general statutes is repealed and the following is  
2346 substituted in lieu thereof (*Effective from passage*):

2347 (2) "Qualifying real property" means a single-family or multifamily  
2348 residential dwelling [or a nonresidential building] containing less than  
2349 five dwelling units, regardless of ownership, that a municipality has  
2350 determined can benefit from energy improvements;

2351 Sec. 42. Subsection (h) of section 16-19b of the general statutes is  
2352 repealed and the following is substituted in lieu thereof (*Effective July*  
2353 *1, 2012*):

2354 (h) The Public Utilities Regulatory Authority shall continually  
2355 monitor and oversee the application of the purchased gas adjustment  
2356 clause, the energy adjustment clause, and the transmission rate



2357 adjustment clause. The authority shall hold a public hearing thereon  
2358 whenever the authority deems it necessary or upon application of the  
2359 Consumer Counsel, but no less frequently than once every [six] twelve  
2360 months, and undertake such other proceeding thereon to determine  
2361 whether charges or credits made under such clauses reflect the actual  
2362 prices paid for purchased gas or energy and the actual transmission  
2363 costs and are computed in accordance with the applicable clause. If the  
2364 authority finds that such charges or credits do not reflect the actual  
2365 prices paid for purchased gas or energy, and the actual transmission  
2366 costs or are not computed in accordance with the applicable clause, it  
2367 shall recompute such charges or credits and shall direct the company  
2368 to take such action as may be required to insure that such charges or  
2369 credits properly reflect the actual prices paid for purchased gas or  
2370 energy and the actual transmission costs and are computed in  
2371 accordance with the applicable clause for the applicable period.

2372 Sec. 43. Section 16-18a of the 2012 supplement to the general statutes  
2373 is amended by adding subsection (c) as follows (*Effective July 1, 2012*):

2374 (NEW) (c) For any proceeding before the Federal Energy Regulatory  
2375 Commission, the United States Department of Energy, the United  
2376 States Nuclear Regulatory Commission, the United States Securities  
2377 and Exchange Commission, the Federal Trade Commission, the United  
2378 States Department of Justice or the Federal Communications  
2379 Commission, the authority, the Department of Energy and  
2380 Environmental Protection and the Office of Consumer Counsel may  
2381 retain consultants to assist their respective staffs in such proceeding by  
2382 providing expertise in areas in which staff expertise does not currently  
2383 exist or to supplement staff expertise. All reasonable and proper  
2384 expenses of such expert consultants shall be borne by the public  
2385 service companies, certified telecommunications providers, electric  
2386 suppliers or gas registrants affected by the decisions of such  
2387 proceeding and shall be paid at such times and in such manner as the  
2388 authority directs, provided such expenses (1) shall be apportioned in  
2389 proportion to the revenues of each affected entity as reported to the  
2390 authority pursuant to section 16-49, as amended by this act, for the

2391 most recent period, and (2) shall not exceed five hundred thousand  
2392 dollars per proceeding, including any appeals thereof, in any calendar.  
2393 The authority shall recognize all such expenses as proper business  
2394 expenses of the affected entities for ratemaking purposes pursuant to  
2395 section 16-19e, as amended by this act, if applicable.

2396 Sec. 44. Subdivision (1) of subsection (c) of section 16-8a of the 2012  
2397 supplement to the general statutes is repealed and the following is  
2398 substituted in lieu thereof (*Effective July 1, 2012*):

2399 (c) (1) Not more than [thirty] ninety business days after receipt of a  
2400 written complaint, in a form prescribed by the authority, by an  
2401 employee alleging the employee's employer has retaliated against an  
2402 employee in violation of subsection (a) of this section, the authority  
2403 shall make a preliminary finding in accordance with this subsection.

2404 Sec. 45. Subsection (b) of section 16-19kk of the general statutes is  
2405 repealed and the following is substituted in lieu thereof (*Effective July*  
2406 *1, 2012*):

2407 (b) The authority shall complete, on or before December 31, 1991, an  
2408 investigation into the relationship between a company's volume of  
2409 sales and its earnings. The authority shall, on or before July 1, 1993,  
2410 implement rate-making and other procedures and practices in order to  
2411 encourage the implementation of conservation and load management  
2412 programs and other programs authorized by the authority promoting  
2413 the state's economic development, energy and other policy. Such  
2414 procedures to implement a modification or elimination of any direct  
2415 relationship between the volume of sales and the earnings of electric,  
2416 gas, telephone and water companies may include the adoption of a  
2417 sales adjustment clause pursuant to subsection [(i)] (j) of section 16-  
2418 19b, or other adjustment clause similar thereto. The authority's  
2419 investigation shall include a review of its regulations and policies to  
2420 identify any existing disincentives to the development and  
2421 implementation of cost effective conservation and load management  
2422 programs and other programs promoting the state's economic

2423 development, energy and other policy.

2424 Sec. 46. (NEW) (*Effective July 1, 2012*) (a) The Clean Energy Finance  
2425 and Investment Authority is authorized from time to time to issue its  
2426 negotiable bonds for any corporate purpose. In anticipation of the sale  
2427 of such bonds, the Clean Energy Finance and Investment Authority  
2428 may issue negotiable bond anticipation notes and may renew the same  
2429 from time to time. Such notes shall be paid from any revenues of said  
2430 authority or other moneys available for such purposes and not  
2431 otherwise pledged, or from the proceeds of sale of the bonds of said  
2432 authority in anticipation of which they were issued. The notes shall be  
2433 issued in the same manner as the bonds. Such notes and the resolution  
2434 or resolutions authorizing the same may contain any provisions,  
2435 conditions or limitations which a bond resolution of said authority  
2436 may contain.

2437 (b) Every issue of the bonds, notes or other obligations issued by the  
2438 Clean Energy Finance and Investment Authority shall be special  
2439 obligations of said authority payable from any revenues or moneys of  
2440 said authority available for such purposes and not otherwise pledged,  
2441 subject to any agreements with the holders of particular bonds, notes  
2442 or other obligations pledging any particular revenues or moneys, and  
2443 subject to any agreements with any individual, partnership,  
2444 corporation or association or other body, public or private.  
2445 Notwithstanding that such bonds, notes or other obligations may be  
2446 payable from a special fund, they shall be deemed to be for all  
2447 purposes negotiable instruments, subject only to the provisions of such  
2448 bonds, notes or other obligations for registration.

2449 (c) The bonds may be issued as serial bonds or as term bonds, or the  
2450 Clean Energy Finance and Investment Authority, in its discretion, may  
2451 issue bonds of both types. The bonds shall be authorized by resolution  
2452 of the members of the board of directors of said authority and shall  
2453 bear such date or dates, mature at such time or times, not exceeding  
2454 twenty years from their respective dates, bear interest at such rate or  
2455 rates, be payable at such time or times, be in such denominations, be in

2456 such form, either coupon or registered, carry such registration  
2457 privileges, be executed in such manner, be payable in lawful money of  
2458 the United States at such place or places, and be subject to such terms  
2459 of redemption, as such resolution or resolutions may provide. The  
2460 bonds or notes may be sold at public or private sale for such price or  
2461 prices as said authority shall determine. The power to fix the date of  
2462 sale of bonds, to receive bids or proposals, to award and sell bonds,  
2463 and to take all other necessary action to sell and deliver bonds may be  
2464 delegated to the chairperson or vice-chairperson of the board, a  
2465 subcommittee of the board or other officers of said authority by  
2466 resolution of the board. The exercise of such delegated powers may be  
2467 made subject to the approval of a majority of the members of the board  
2468 which approval may be given in the manner provided in the bylaws of  
2469 said authority. Pending preparation of the definitive bonds, said  
2470 authority may issue interim receipts or certificates which shall be  
2471 exchanged for such definitive bonds.

2472 (d) Any resolution or resolutions authorizing any bonds or any  
2473 issue of bonds may contain provisions, which shall be a part of the  
2474 contract with the holders of the bonds to be authorized, as to: (1)  
2475 Pledges of the full faith and credit of the Clean Energy Finance and  
2476 Investment Authority, the full faith and credit of any individual,  
2477 partnership, corporation or association or other body, public or  
2478 private, all or any part of the revenues of a project or any revenue-  
2479 producing contract or contracts made by said authority with any  
2480 individual, partnership, corporation or association or other body,  
2481 public or private, any federally guaranteed security and moneys  
2482 received therefrom purchased with bond proceeds or any other  
2483 property, revenues, funds or legally available moneys to secure the  
2484 payment of the bonds or of any particular issue of bonds, subject to  
2485 such agreements with bondholders as may then exist; (2) the rentals,  
2486 fees and other charges to be charged, and the amounts to be raised in  
2487 each year thereby, and the use and disposition of the revenues; (3) the  
2488 setting aside of reserves or sinking funds, and the regulation and  
2489 disposition thereof; (4) limitations on the right of said authority or its

2490 agent to restrict and regulate the use of the project funded by such  
2491 bonds or issue of bonds; (5) the purpose and limitations to which the  
2492 proceeds of sale of any issue of bonds then or thereafter to be issued  
2493 may be applied, including as authorized purposes all costs and  
2494 expenses necessary or incidental to the issuance of bonds, to the  
2495 acquisition of or commitment to acquire any federally guaranteed  
2496 security and to the issuance and obtaining of any federally insured  
2497 mortgage note, and pledging such proceeds to secure the payment of  
2498 the bonds or any issue of the bonds; (6) limitations on the issuance of  
2499 additional bonds, the terms upon which additional bonds may be  
2500 issued and secured and the refunding of outstanding bonds; (7) the  
2501 procedure, if any, by which the terms of any contract with  
2502 bondholders may be amended or abrogated, the amount of bonds the  
2503 holders of which must consent thereto, and the manner in which such  
2504 consent may be given; (8) limitations on the amount of moneys derived  
2505 from such project to be expended for operating, administrative or  
2506 other expenses of said authority; (9) definitions of the acts or omissions  
2507 to act which shall constitute a default in the duties of said authority to  
2508 holders of its obligations and the rights and remedies of such holders  
2509 in the event of a default; and (10) the mortgaging of a project and the  
2510 site thereof for the purpose of securing the bondholders.

2511 (e) Neither the members of the board of directors of the Clean  
2512 Energy Finance and Investment Authority nor any person executing  
2513 the bonds, notes or other obligations shall be liable personally on the  
2514 bonds, notes or other obligations or be subject to any personal liability  
2515 or accountability by reason of the issuance thereof.

2516 (f) The Clean Energy Finance and Investment Authority shall have  
2517 the power to purchase its bonds, notes or other obligations out of any  
2518 funds available for such purposes. Said authority may hold, pledge,  
2519 cancel or resell such bonds, notes or other obligations, subject to and in  
2520 accordance with agreements with bondholders. Said authority may  
2521 sell, transfer or assign any of its loan assets to a trustee or other third  
2522 party for the purposes of providing security for its bonds, notes or  
2523 other obligations, or for bonds, notes or other obligations issued by the

2524 trustee or other third party on its behalf.

2525 (g) The Clean Energy Finance and Investment Authority is further  
2526 authorized and empowered to issue bonds, notes or other obligations  
2527 under this section, the interest on which may be includable in the gross  
2528 income of the holder or holders thereof under the Internal Revenue  
2529 Code of 1986, or any subsequent corresponding internal revenue code  
2530 of the United States, as from time to time amended, to the same extent  
2531 and in the same manner that interest on bills, notes, bonds or other  
2532 obligations of the United States is includable in the gross income of the  
2533 holder or holders thereof under said internal revenue code. Any such  
2534 bonds, notes or other obligations may be issued only upon a finding by  
2535 said authority that such issuance is necessary, is in the public interest,  
2536 and is in furtherance of the purposes and powers of said authority. The  
2537 state hereby consents to such inclusion only for the bonds, notes or  
2538 other obligations of said authority so issued.

2539 (h) At the discretion of the Clean Energy Finance and Investment  
2540 Authority, any bonds issued under the provisions of this section may  
2541 be secured by a trust agreement by and between said authority and a  
2542 corporate trustee or trustees, which may be any trust company or bank  
2543 having the powers of a trust company within or without the state.  
2544 Such trust agreement or the resolution providing for the issuance of  
2545 such bonds or other instrument of said authority may secure such  
2546 bonds by a pledge or assignment of any revenues to be received, any  
2547 contract or proceeds of any contract, or any other property, revenues,  
2548 moneys or funds available to said authority for such purpose. Any  
2549 pledge made by said authority pursuant to this subsection shall be  
2550 valid and binding from the time when the pledge is made. The lien of  
2551 any such pledge shall be valid and binding as against all parties  
2552 having claims of any kind in tort, contract or otherwise against said  
2553 authority, irrespective of whether the parties have notice of the claims.  
2554 Notwithstanding any provision of the Uniform Commercial Code, no  
2555 instrument by which such pledge is created need be recorded or filed  
2556 except in the records of said authority. Any revenues, contract or  
2557 proceeds of any contract, or other property, revenues, moneys or funds

2558 so pledged and thereafter received by said authority shall be subject  
2559 immediately to the lien of the pledge without any physical delivery  
2560 thereof or further act, and such lien shall have priority over all other  
2561 liens. Such trust agreement or resolution may mortgage, assign or  
2562 convey any real property to secure such bonds. Such trust agreement  
2563 or resolution providing for the issuance of such bonds may contain  
2564 such provisions for protecting and enforcing the rights and remedies  
2565 of the bondholders as may be reasonable and proper and not in  
2566 violation of law, including such provisions as have been specifically  
2567 authorized by this section to be included in any resolution of said  
2568 authority authorizing bonds thereof. Any bank or trust company  
2569 incorporated under the laws of this state, which may act as depository  
2570 of the proceeds of bonds or of revenues or other moneys, may furnish  
2571 such indemnifying bonds or pledge such securities as may be required  
2572 by said authority. Any such trust agreement or resolution may set  
2573 forth the rights and remedies of the bondholders and of the trustee or  
2574 trustees, and may restrict the individual right of action by  
2575 bondholders. In addition to the foregoing, any such trust agreement or  
2576 resolution may contain such other provisions as said authority may  
2577 deem reasonable and proper for the security of the bondholders. All  
2578 expenses incurred in carrying out the provisions of such trust  
2579 agreement or resolution may be treated as a part of the cost of the  
2580 operation of a project.

2581 (i) Bonds issued under the provisions of this section shall not be  
2582 deemed to constitute a debt or liability of the state or of any political  
2583 subdivision thereof, other than the Clean Energy Finance and  
2584 Investment Authority, or a pledge of the full faith and credit of the  
2585 state or any of its political subdivisions other than said authority, but  
2586 shall be payable solely from the funds provided for such purposes by  
2587 this section. All such bonds shall contain on the face thereof a  
2588 statement to the effect that neither the state of Connecticut nor any  
2589 political subdivision thereof, other than said authority, shall be  
2590 obligated to pay the same or the interest thereon except from revenues  
2591 of the project or the portion thereof for which such bonds are issued,

2592 and that neither the full faith and credit nor the taxing power of the  
2593 state of Connecticut or of any political subdivision thereof, other than  
2594 said authority, is pledged to the payment of the principal of or the  
2595 interest on such bonds. The issuance of bonds under the provisions of  
2596 this section shall not directly, indirectly or contingently obligate the  
2597 state or any political subdivision thereof to levy or to pledge any form  
2598 of taxation or to make any appropriation for the payment of such  
2599 bonds. Nothing contained in this section shall prevent or be construed  
2600 to prevent said authority from pledging its full faith and credit or the  
2601 full faith and credit of any individual, partnership, corporation or  
2602 association or other body, public or private, to the payment of bonds  
2603 or issue of bonds authorized pursuant to this section.

2604 (j) The state of Connecticut does hereby pledge to and agree with  
2605 the holders of any bonds, notes or other obligations issued under this  
2606 section and with those parties who may enter into contracts with the  
2607 Clean Energy Finance and Investment Authority or its successor  
2608 agency pursuant to the provisions of this section that the state shall not  
2609 limit or alter the rights hereby vested in said authority until such  
2610 obligations, together with the interest thereon, are fully met and  
2611 discharged and such contracts are fully performed on the part of said  
2612 authority, provided nothing contained in this subsection shall preclude  
2613 such limitation or alteration if and when adequate provision is made  
2614 by law for the protection of the holders of such bonds, notes or other  
2615 obligations of said authority or those entering into such contracts with  
2616 said authority. Said authority is authorized to include this pledge and  
2617 undertaking for the state in such bonds, notes or other obligations, or  
2618 contracts.

2619 (k) (1) The Clean Energy Finance and Investment Authority is  
2620 authorized to fix, revise, charge and collect rates, rents, fees and  
2621 charges for the use of and for the services furnished or to be furnished  
2622 by each project, and to contract with any individual, partnership,  
2623 corporation or association, or other body, public or private, in respect  
2624 thereof. Such rates, rents, fees and charges shall be fixed and adjusted  
2625 in respect of the aggregate of rates, rents, fees and charges from such



2626 project so as to provide funds sufficient with other revenues or moneys  
2627 available for such purposes, if any, (A) to pay the cost of maintaining,  
2628 repairing and operating the project and each and every portion  
2629 thereof, to the extent that the payment of such cost has not otherwise  
2630 been adequately provided for, (B) to pay the principal of and the  
2631 interest on outstanding bonds of said authority issued in respect of  
2632 such project as the same shall become due and payable, and (C) to  
2633 create and maintain reserves required or provided for in any  
2634 resolution authorizing, or trust agreement securing, such bonds of said  
2635 authority. Such rates, rents, fees and charges shall not be subject to  
2636 supervision or regulation by any department, commission, board,  
2637 body, bureau or agency of this state other than said authority.

2638 (2) A sufficient amount of the revenues derived in respect of a  
2639 project, except such part of such revenues as may be necessary to pay  
2640 the cost of maintenance, repair and operation and to provide reserves  
2641 and for renewals, replacements, extensions, enlargements and  
2642 improvements as may be provided for in the resolution authorizing  
2643 the issuance of any bonds of the Clean Energy Finance and Investment  
2644 Authority or in the trust agreement securing the same, shall be set  
2645 aside at such regular intervals as may be provided in such resolution  
2646 or trust agreement in a sinking or other similar fund which is hereby  
2647 pledged to, and charged with, the payment of the principal of and the  
2648 interest on such bonds as the same shall become due, and the  
2649 redemption price or the purchase price of bonds retired by call or  
2650 purchase as therein provided. Such pledge shall be valid and binding  
2651 from the time when the pledge is made. The rates, rents, fees and  
2652 charges and other revenues or other moneys so pledged and thereafter  
2653 received by said authority shall immediately be subject to the lien of  
2654 such pledge without any physical delivery thereof or further act, and  
2655 the lien of any such pledge shall be valid and binding as against all  
2656 parties having claims of any kind in tort, contract or otherwise against  
2657 said authority, irrespective of whether such parties have notice of such  
2658 claims. Notwithstanding any provision of the Connecticut Uniform  
2659 Commercial Code, neither the resolution nor any trust agreement nor

any other agreement nor any lease by which a pledge is created need be filed or recorded except in the records of said authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund may be a fund for all such bonds issued to finance projects for any individual, partnership, corporation or association, or other body, public or private, without distinction or priority of one over another; provided said authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project for any individual, partnership, corporation or association, or other body, public or private, and for the bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of bonds having a subordinate lien in respect of the security authorized by this subsection to other bonds of said authority, and, in such case, said authority may create separate sinking or other similar funds in respect of such subordinate lien bonds.

(l) All moneys received pursuant to the provisions of this section, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this section. Any officer with whom, or any bank or trust company with which, such moneys are deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes of this section, subject to the resolution authorizing the bonds of any issue or the trust agreement securing such bonds.

(m) Any holder of bonds, bond anticipation notes, other notes or other obligations issued under the provisions of this section, or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights given by this section may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect

2694 and enforce any and all rights under the laws of the state or granted by  
2695 this section or under such resolution or trust agreement, and may  
2696 enforce and compel the performance of all duties required by this  
2697 section or by such resolution or trust agreement to be performed by the  
2698 Clean Energy Finance and Investment Authority or by any officer,  
2699 employee or agent thereof, including the fixing, charging and  
2700 collecting of the rates, rents, fees and charges authorized by this  
2701 section and required by the provisions of such resolution or trust  
2702 agreement to be fixed, established and collected.

2703 (n) The Clean Energy Finance and Investment Authority shall have  
2704 power to contract with the holders of any of its bonds or notes as to the  
2705 custody, collection, securing, investment and payment of any reserve  
2706 funds of said authority, or of any moneys held in trust or otherwise for  
2707 the payment of bonds or notes, and to carry out such contracts. Any  
2708 officer with whom, or any bank or trust company with which, such  
2709 moneys shall be deposited as trustee thereof shall hold, invest, reinvest  
2710 and apply such moneys for the purposes thereof, subject to such  
2711 provisions as this section and the resolution authorizing the issue of  
2712 the bonds or notes or the trust agreement securing such bonds or notes  
2713 may provide.

2714 (o) The exercise of the powers granted by this section shall be in all  
2715 respects for the benefit of the people of this state, for the increase of  
2716 their commerce, welfare and prosperity, and for the improvement of  
2717 their health and living conditions, and, as the exercise of such powers  
2718 shall constitute the performance of an essential public function, neither  
2719 the Clean Energy Finance and Investment Authority, any affiliate of  
2720 said authority, nor any collection or other agent of said authority nor  
2721 any such affiliate shall be required to pay any taxes or assessments  
2722 upon or in respect of any revenues or property received, acquired,  
2723 transferred or used by said authority, any affiliate of said authority or  
2724 any collection or other agent of said authority or any such affiliate or  
2725 upon or in respect of the income from such revenues or property. Any  
2726 bonds, notes or other obligations issued under the provisions of this  
2727 section, their transfer and the income therefrom, including any profit

2728 made on the sale of such bonds, notes or other obligations, shall at all  
2729 times be free from taxation of every kind by the state and by the  
2730 municipalities and other political subdivisions in the state, except for  
2731 estate and succession taxes. The interest on such bonds, notes or other  
2732 obligations shall be included in the computation of any excise or  
2733 franchise tax.

2734 (p) (1) The Clean Energy Finance and Investment Authority is  
2735 hereby authorized to provide for the issuance of bonds of said  
2736 authority for the purpose of refunding any bonds of said authority  
2737 then outstanding, including the payment of any redemption premium  
2738 thereon and any interest accrued or to accrue to the earliest or  
2739 subsequent date of redemption, purchase or maturity of such bonds,  
2740 and, if deemed advisable by said authority, for the additional purpose  
2741 of paying all or any part of the cost of constructing and acquiring  
2742 additions, improvements, extensions or enlargements of a project or  
2743 any portion thereof.

2744 (2) The proceeds of any such bonds issued for the purpose of  
2745 refunding outstanding bonds may, at the discretion of the Clean  
2746 Energy Finance and Investment Authority, be applied to the purchase  
2747 or retirement at maturity or redemption of such outstanding bonds  
2748 either on their earliest or any subsequent redemption date or upon the  
2749 purchase or at the maturity thereof and may, pending such  
2750 application, be placed in escrow to be applied to such purchase or  
2751 retirement at maturity or redemption on such date as may be  
2752 determined by said authority.

2753 (3) Any such escrowed proceeds, pending such use, may be  
2754 invested and reinvested in direct obligations of, or obligations  
2755 unconditionally guaranteed by, the United States and certificates of  
2756 deposit or time deposits secured by direct obligations of, or obligations  
2757 unconditionally guaranteed by, the United States, or obligations of a  
2758 state, a territory, or a possession of the United States, or any political  
2759 subdivision of any of the foregoing, within the meaning of Section  
2760 103(a) of the Internal Revenue Code of 1986, or any subsequent

2761 corresponding internal revenue code of the United States, as amended  
2762 from time to time, the full and timely payment of the principal of and  
2763 interest on which are secured by an irrevocable deposit of direct  
2764 obligations of the United States which, if the outstanding bonds are  
2765 then rated by a nationally recognized rating agency, are rated in the  
2766 highest rating category by such rating agency, maturing at such time  
2767 or times as shall be appropriate to assure the prompt payment, as to  
2768 principal, interest and redemption premium, if any, of the outstanding  
2769 bonds to be so refunded. The interest, income and profits, if any,  
2770 earned or realized on any such investment or reinvestment may also  
2771 be applied to the payment of the outstanding bonds to be so refunded.  
2772 After the terms of the escrow have been fully satisfied and carried out,  
2773 any balance of such proceeds and interest, income and profits, if any,  
2774 earned or realized on the investments or reinvestments thereof may be  
2775 returned to the Clean Energy Finance and Investment Authority for  
2776 use by it in any lawful manner.

2777 (4) The portion of the proceeds of any such bonds issued for the  
2778 additional purpose of paying all or any part of the cost of constructing  
2779 and acquiring additions, improvements, extensions or enlargements of  
2780 a project or any portion thereof may be invested and reinvested as the  
2781 provisions of this section and the resolution authorizing the issuance  
2782 of such bonds or the trust agreement securing such bonds may  
2783 provide. The interest, income and profits, if any, earned or realized on  
2784 such investment or reinvestment may be applied to the payment of all  
2785 or any part of such cost or may be used by the Clean Energy Finance  
2786 and Investment Authority in any lawful manner.

2787 (5) All such bonds shall be subject to the provisions of this section in  
2788 the same manner and to the same extent as other bonds issued  
2789 pursuant to this section, section 47 or 48 of this act or section 16-245n  
2790 of the general statutes, as amended by this act.

2791 (q) Bonds issued by the Clean Energy Finance and Investment  
2792 Authority under the provisions of this section are hereby made  
2793 securities in which all public officers and public bodies of the state and

2794 its political subdivisions, all insurance companies, state banks and  
2795 trust companies, national banking associations, savings banks, savings  
2796 and loan associations, investment companies, executors,  
2797 administrators, trustees and other fiduciaries may properly and legally  
2798 invest funds, including capital in their control or belonging to them.  
2799 Such bonds are hereby made securities which may properly and  
2800 legally be deposited with and received by any state or municipal  
2801 officer or any agency or political subdivision of the state for any  
2802 purpose for which the deposit of bonds or obligations of the state is  
2803 now or may hereafter be authorized by law.

2804 (r) In conjunction with the issuance of the bonds, notes or other  
2805 obligations, the Clean Energy Finance and Investment Authority may:  
2806 (1) Make representations and agreements for the benefit of the holders  
2807 of the bonds, notes or other obligations to make secondary market  
2808 disclosures; (2) enter into interest rate swap agreements and other  
2809 agreements for the purpose of moderating interest rate risk on the  
2810 bonds, notes or other obligations; (3) enter into such other agreements  
2811 and instruments to secure the bonds, notes or other obligations; and (4)  
2812 take such other actions as necessary or appropriate for the issuance  
2813 and distribution of the bonds, notes or other obligations and may make  
2814 representations and agreements for the benefit of the holders of the  
2815 bonds, notes or other obligations which are necessary or appropriate to  
2816 ensure exclusion of the interest payable on the bonds, notes or other  
2817 obligations from gross income under the Internal Revenue Code of  
2818 1986, or any subsequent corresponding internal revenue code of the  
2819 United States, as amended from time to time.

2820 Sec. 47. (NEW) (*Effective July 1, 2012*) (a) The Clean Energy Finance  
2821 and Investment Authority may issue clean energy bonds secured in  
2822 whole or in part by the assets of, and assessment of charges and other  
2823 receipts deposited into, the Clean Energy Fund established pursuant to  
2824 section 16-245n of the general statutes, as amended by this act. The  
2825 clean energy bonds shall be nonrecourse to the credit or any assets of  
2826 the state or said authority.

2827 (b) The state of Connecticut does hereby pledge to and agree with  
2828 the owners and holders of the clean energy bonds that the state shall  
2829 not limit or alter the assessment of charges pursuant to subsection (b)  
2830 of section 16-245n of the general statutes, as amended by this act, and  
2831 all rights thereunder, until the clean energy bonds, together with the  
2832 interest thereon, are fully met and discharged, provided nothing  
2833 contained in this subsection shall preclude such limitation or alteration  
2834 if and when adequate provision is made by law for the protection of  
2835 the owners and holders of such bonds. The Clean Energy Finance and  
2836 Investment Authority is authorized to include this pledge and  
2837 undertaking for the state in the clean energy bonds.

2838 (c) The clean energy bonds shall not be deemed to constitute a debt  
2839 or liability of the state or of any political subdivision thereof, other  
2840 than the Clean Energy Finance and Investment Authority, or a pledge  
2841 of the full faith and credit of the state or any of its political  
2842 subdivisions, other than said authority, but shall be payable solely  
2843 from the funds provided under section 16-245n of the general statutes,  
2844 as amended by this act, and shall not constitute an indebtedness of the  
2845 state within the meaning of any constitutional or statutory debt  
2846 limitation or restriction and accordingly shall not be subject to any  
2847 statutory limitation on the indebtedness of the state and shall not be  
2848 included in computing the aggregate indebtedness of the state in  
2849 respect to and to the extent of any such limitation. This subsection shall  
2850 not preclude bond guarantees or enhancements as provided in  
2851 subsection (d) of section 16-245n of the general statutes, as amended by  
2852 this act. All clean energy bonds shall contain on the face thereof a  
2853 statement to the following effect: "Neither the full faith and credit nor  
2854 the taxing power of the State of Connecticut is pledged to the payment  
2855 of the principal of, or interest on, this bond."

2856 (d) The exercise of the powers granted by this section and section  
2857 16-245n of the general statutes, as amended by this act, shall be in all  
2858 respects for the benefit of the people of this state, for the increase of  
2859 their commerce, welfare and prosperity, and as the exercise of such  
2860 powers shall constitute the performance of an essential public function,

2861 neither the Clean Energy Finance and Investment Authority, any  
2862 affiliate of said authority, nor any collection or other agent of said  
2863 authority or any such affiliate shall be required to pay any taxes or  
2864 assessments upon or in respect of any revenues or property received,  
2865 acquired, transferred or used by said authority, any affiliate of said  
2866 authority or any collection or other agent of said authority or any such  
2867 affiliate, or upon or in respect of the income from such revenues or  
2868 property. Any bonds, notes or other obligations issued under the  
2869 provisions of this section, their transfer and the income therefrom,  
2870 including any profit made on the sale of such bonds, notes or other  
2871 obligations, shall at all times be free from taxation of every kind by the  
2872 state and by the municipalities and other political subdivisions in the  
2873 state except for estate and succession taxes. The interest on such bonds,  
2874 notes and other obligations shall be included in the computation of any  
2875 excise or franchise tax.

2876 (e) The proceeds of any clean energy bonds shall be used for the  
2877 purposes of the Clean Energy Finance and Investment Authority in  
2878 accordance with section 16-245n of the general statutes, as amended by  
2879 this act.

2880 Sec. 48. (NEW) (*Effective July 1, 2012*) (a) For purposes of this section,  
2881 "required minimum capital reserve" means the maximum amount  
2882 permitted to be deposited in a special capital reserve fund by the  
2883 Internal Revenue Code of 1986, or any subsequent corresponding  
2884 internal revenue code of the United States, as amended from time to  
2885 time, to permit the interest on such bonds to be excluded from gross  
2886 income for federal tax purposes and secured by such special capital  
2887 reserve fund.

2888 (b) In connection with the issuance of bonds or to refund bonds  
2889 previously issued by the Clean Energy Finance and Investment  
2890 Authority, or in connection with the issuance of bonds to effect a  
2891 refinancing or other restructuring with respect to one or more projects,  
2892 said authority may create and establish one or more reserve funds to  
2893 be known as special capital reserve funds, and may pay into such



2894 special capital reserve funds (1) any moneys appropriated and made  
2895 available by the state for the purposes of such special capital reserve  
2896 funds, (2) any proceeds of the sale of notes or bonds, to the extent  
2897 provided in the resolution of said authority authorizing the issuance  
2898 thereof, and (3) any other moneys which may be made available to  
2899 said authority for the purpose of such special capital reserve funds  
2900 from any other source or sources.

2901 (c) The moneys held in or credited to any special capital reserve  
2902 fund established under this section, except as hereinafter provided,  
2903 shall be used for (1) the payment of the principal of and interest, when  
2904 due, whether at maturity or by mandatory sinking fund installments,  
2905 on bonds of the Clean Energy Finance and Investment Authority  
2906 secured by such special capital reserve fund as such payments become  
2907 due, or (2) the purchase of such bonds of said authority and the  
2908 payment of any redemption premium required to be paid when such  
2909 bonds are redeemed prior to maturity, including in any such case by  
2910 way of reimbursement of a provider of bond insurance or of a credit or  
2911 liquidity facility that has paid such redemption premiums.  
2912 Notwithstanding the provisions of subdivisions (1) and (2) of this  
2913 subsection, said authority may provide that moneys in any such  
2914 special capital reserve fund shall not be withdrawn therefrom at any  
2915 time in such amount as would reduce the amount of such moneys to  
2916 less than the maximum amount of principal and interest becoming due  
2917 by reasons of maturity or a required sinking fund installment in the  
2918 then current or any succeeding calendar year on the bonds of said  
2919 authority then outstanding, or less than the required minimum capital  
2920 reserve, except for the purpose of paying such principal of, redemption  
2921 premium and interest on such bonds of said authority secured by such  
2922 special capital reserve becoming due and for the payment of which  
2923 other moneys of said authority are not available. Said authority may  
2924 provide that it shall not issue bonds secured by a special capital  
2925 reserve fund at any time if the required minimum capital reserve on  
2926 the bonds outstanding and the bonds then to be issued and secured by  
2927 the same special capital reserve fund at the time of issuance exceeds

2928 the moneys in the special capital reserve fund, unless said authority, at  
2929 the time of the issuance of such bonds, deposits in such special capital  
2930 reserve fund from the proceeds of the bonds so to be issued, or from  
2931 other sources, an amount which, together with the amount then in  
2932 such special capital reserve fund, will be not less than the required  
2933 minimum capital reserve.

2934 (d) Prior to December first, annually, the Clean Energy Finance and  
2935 Investment Authority shall deposit into any special capital reserve  
2936 fund, the balance of which has fallen below the required minimum  
2937 capital reserve of such fund, the full amount required to meet the  
2938 minimum capital reserve of such fund, as available to said authority  
2939 from any resources of said authority not otherwise pledged or  
2940 dedicated to another purpose. On or before December first, annually,  
2941 but after said authority has made such required deposit, there is  
2942 deemed to be appropriated from the General Fund such sums, if any,  
2943 as shall be certified by the chairperson or vice-chairperson of the Clean  
2944 Energy Finance and Investment Authority to the Secretary of the Office  
2945 of Policy and Management, the State Treasurer and the joint standing  
2946 committees of the General Assembly having cognizance of matters  
2947 relating to finance, revenue and bonding and energy, as necessary to  
2948 restore each such special capital reserve fund to the amount equal to  
2949 the required minimum capital reserve of such fund, and such amounts  
2950 shall be allotted and paid to said authority. For the purpose of  
2951 evaluation of any such special capital reserve fund, obligations  
2952 acquired as an investment for any such special capital reserve fund  
2953 shall be valued at market. Nothing contained in this section shall  
2954 preclude said authority from establishing and creating other debt  
2955 service reserve funds in connection with the issuance of bonds or notes  
2956 of said authority which are not special capital reserve funds. Subject to  
2957 any agreement or agreements with holders of outstanding notes and  
2958 bonds of said authority, any amount or amounts allotted and paid to  
2959 said authority pursuant to this subsection shall be repaid to the state  
2960 from moneys of said authority at such time as such moneys are not  
2961 required for any other of said authority's corporate purposes, and in

2962 any event shall be repaid to the state on the date one year after all  
2963 bonds and notes of said authority theretofore issued on the date or  
2964 dates such amount or amounts are allotted and paid to said authority  
2965 or thereafter issued, together with interest on such bonds and notes,  
2966 with interest on any unpaid installments of interest and all costs and  
2967 expenses in connection with any action or proceeding by or on behalf  
2968 of the holders thereof, are fully met and discharged.

2969 (e) No bonds secured by a special capital reserve fund shall be  
2970 issued to pay project costs unless the Clean Energy Finance and  
2971 Investment Authority is of the opinion and determines that the  
2972 revenues from the project shall be sufficient to (1) pay the principal of  
2973 and interest on the bonds issued to finance the project, (2) establish,  
2974 increase and maintain any reserves deemed by said authority to be  
2975 advisable to secure the payment of the principal of and interest on  
2976 such bonds, (3) pay the cost of maintaining the project in good repair  
2977 and keeping it properly insured, and (4) pay such other costs of the  
2978 project as may be required.

2979 (f) Notwithstanding the provisions of this section, no bonds secured  
2980 by a special capital reserve fund shall be issued by the Clean Energy  
2981 Finance and Investment Authority until and unless such issuance has  
2982 been approved by the Secretary of the Office of Policy and  
2983 Management or his or her deputy. Any such approval by the secretary  
2984 pursuant to this subsection shall be in addition to (1) the otherwise  
2985 required opinion of sufficiency by said authority set forth in subsection  
2986 (e) of this section, and (2) the approval of the State Treasurer or the  
2987 Deputy State Treasurer and the documentation by said authority  
2988 otherwise required under subsection (a) of section 1-124 of the general  
2989 statutes, as amended by this act. Such approval may provide for the  
2990 waiver or modification of such other requirements of this section as the  
2991 secretary determines to be necessary or appropriate in order to  
2992 effectuate such issuance, subject to all applicable tax covenants of said  
2993 authority and the state.

2994 (g) Notwithstanding any other provision contained in this section,

2995 the aggregate amount of bonds secured by such special capital reserve  
2996 fund authorized to be created and established by this section shall not  
2997 exceed fifty million dollars.

2998 Sec. 49. Subdivision (2) of subsection (a) of section 32-141 of the  
2999 general statutes is repealed and the following is substituted in lieu  
3000 thereof (*Effective July 1, 2012*):

3001 (2) The total amount of private activity bonds which may be issued  
3002 by state issuers in the calendar year commencing January 1, 2007, and  
3003 each calendar year thereafter, under the state ceiling in effect for each  
3004 such year, shall be allocated as follows: (A) Sixty per cent to the  
3005 Connecticut Housing Finance Authority; (B) twelve and one-half per  
3006 cent to the Connecticut Development Authority; and (C) twenty-seven  
3007 and one-half per cent to municipalities and political subdivisions,  
3008 departments, agencies, authorities and other bodies of municipalities,  
3009 [and] the Connecticut Higher Education Supplemental Loan Authority  
3010 and the Clean Energy Finance and Investment Authority, then to the  
3011 Connecticut Student Loan Foundation and then for contingencies. At  
3012 least ten per cent of bonds allocated under subparagraph (A) of this  
3013 subdivision shall be used for multifamily residential housing in the  
3014 calendar year commencing January 1, 2008. In each calendar year  
3015 commencing January 1, 2009, fifteen per cent of such bonds shall be  
3016 used for multifamily residential housing.

3017 Sec. 50. Subsection (l) of section 1-79 of the general statutes is  
3018 repealed and the following is substituted in lieu thereof (*Effective from*  
3019 *passage*):

3020 (l) "Quasi-public agency" means the Connecticut Development  
3021 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
3022 and Education Facilities Authority, Connecticut Higher Education  
3023 Supplemental Loan Authority, Connecticut Housing Finance  
3024 Authority, Connecticut Housing Authority, Connecticut Resources  
3025 Recovery Authority, Lower Fairfield County Convention Center  
3026 Authority, Capital City Economic Development Authority,

3027 Connecticut Lottery Corporation, Connecticut Airport Authority,  
3028 Health Information Technology Exchange of Connecticut, [and]  
3029 Connecticut Health Insurance Exchange and Clean Energy Finance  
3030 and Investment Authority.

3031 Sec. 51. Subdivision (1) of section 1-120 of the general statutes is  
3032 repealed and the following is substituted in lieu thereof (*Effective from*  
3033 *passage*):

3034 (1) "Quasi-public agency" means the Connecticut Development  
3035 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
3036 and Educational Facilities Authority, Connecticut Higher Education  
3037 Supplemental Loan Authority, Connecticut Housing Finance  
3038 Authority, Connecticut Housing Authority, Connecticut Resources  
3039 Recovery Authority, Capital City Economic Development Authority,  
3040 Connecticut Lottery Corporation, Connecticut Airport Authority,  
3041 Health Information Technology Exchange of Connecticut, [and]  
3042 Connecticut Health Insurance Exchange and Clean Energy Finance  
3043 and Investment Authority.

3044 Sec. 52. Section 1-124 of the general statutes is repealed and the  
3045 following is substituted in lieu thereof (*Effective from passage*):

3046 (a) The Connecticut Development Authority, the Connecticut  
3047 Health and Educational Facilities Authority, the Connecticut Higher  
3048 Education Supplemental Loan Authority, the Connecticut Housing  
3049 Finance Authority, the Connecticut Housing Authority, the  
3050 Connecticut Resources Recovery Authority, the Health Information  
3051 Technology Exchange of Connecticut, the Connecticut Airport  
3052 Authority, the Capital City Economic Development Authority, [and]  
3053 the Connecticut Health Insurance Exchange and the Clean Energy  
3054 Finance and Investment Authority shall not borrow any money or  
3055 issue any bonds or notes which are guaranteed by the state of  
3056 Connecticut or for which there is a capital reserve fund of any kind  
3057 which is in any way contributed to or guaranteed by the state of  
3058 Connecticut until and unless such borrowing or issuance is approved

3059 by the State Treasurer or the Deputy State Treasurer appointed  
3060 pursuant to section 3-12. The approval of the State Treasurer or said  
3061 deputy shall be based on documentation provided by the authority  
3062 that it has sufficient revenues to (1) pay the principal of and interest on  
3063 the bonds and notes issued, (2) establish, increase and maintain any  
3064 reserves deemed by the authority to be advisable to secure the  
3065 payment of the principal of and interest on such bonds and notes, (3)  
3066 pay the cost of maintaining, servicing and properly insuring the  
3067 purpose for which the proceeds of the bonds and notes have been  
3068 issued, if applicable, and (4) pay such other costs as may be required.

3069 (b) To the extent the Connecticut Development Authority,  
3070 Connecticut Innovations, Incorporated, Connecticut Higher Education  
3071 Supplemental Loan Authority, Connecticut Housing Finance  
3072 Authority, Connecticut Housing Authority, Connecticut Resources  
3073 Recovery Authority, Connecticut Health and Educational Facilities  
3074 Authority, the Health Information Technology Exchange of  
3075 Connecticut, the Connecticut Airport Authority, the Capital City  
3076 Economic Development Authority, [or] the Connecticut Health  
3077 Insurance Exchange or the Clean Energy Finance and Investment  
3078 Authority is permitted by statute and determines to exercise any  
3079 power to moderate interest rate fluctuations or enter into any  
3080 investment or program of investment or contract respecting interest  
3081 rates, currency, cash flow or other similar agreement, including, but  
3082 not limited to, interest rate or currency swap agreements, the effect of  
3083 which is to subject a capital reserve fund which is in any way  
3084 contributed to or guaranteed by the state of Connecticut, to potential  
3085 liability, such determination shall not be effective until and unless the  
3086 State Treasurer or his or her deputy appointed pursuant to section 3-12  
3087 has approved such agreement or agreements. The approval of the State  
3088 Treasurer or his or her deputy shall be based on documentation  
3089 provided by the authority that it has sufficient revenues to meet the  
3090 financial obligations associated with the agreement or agreements.

3091 Sec. 53. Section 1-125 of the general statutes is repealed and the  
3092 following is substituted in lieu thereof (*Effective from passage*):

3093 The directors, officers and employees of the Connecticut  
3094 Development Authority, Connecticut Innovations, Incorporated,  
3095 Connecticut Higher Education Supplemental Loan Authority,  
3096 Connecticut Housing Finance Authority, Connecticut Housing  
3097 Authority, Connecticut Resources Recovery Authority, including ad  
3098 hoc members of the Connecticut Resources Recovery Authority,  
3099 Connecticut Health and Educational Facilities Authority, Capital City  
3100 Economic Development Authority, the Health Information Technology  
3101 Exchange of Connecticut, Connecticut Airport Authority, Connecticut  
3102 Lottery Corporation, [and] Connecticut Health Insurance Exchange  
3103 and the Clean Energy Finance and Investment Authority and any  
3104 person executing the bonds or notes of the agency shall not be liable  
3105 personally on such bonds or notes or be subject to any personal  
3106 liability or accountability by reason of the issuance thereof, nor shall  
3107 any director or employee of the agency, including ad hoc members of  
3108 the Connecticut Resources Recovery Authority, be personally liable for  
3109 damage or injury, not wanton, reckless, wilful or malicious, caused in  
3110 the performance of his or her duties and within the scope of his or her  
3111 employment or appointment as such director, officer or employee,  
3112 including ad hoc members of the Connecticut Resources Recovery  
3113 Authority. The agency shall protect, save harmless and indemnify its  
3114 directors, officers or employees, including ad hoc members of the  
3115 Connecticut Resources Recovery Authority, from financial loss and  
3116 expense, including legal fees and costs, if any, arising out of any claim,  
3117 demand, suit or judgment by reason of alleged negligence or alleged  
3118 deprivation of any person's civil rights or any other act or omission  
3119 resulting in damage or injury, if the director, officer or employee,  
3120 including ad hoc members of the Connecticut Resources Recovery  
3121 Authority, is found to have been acting in the discharge of his or her  
3122 duties or within the scope of his or her employment and such act or  
3123 omission is found not to have been wanton, reckless, wilful or  
3124 malicious.

3125 Sec. 54. (*Effective from passage*) The Public Utilities Regulatory  
3126 Authority shall initiate a docket to identify measures to promote water

3127 conservation in the state. On or before January 1, 2013, the authority  
3128 shall submit a report, in accordance with the provisions of section 11-  
3129 4a of the general statutes, to the joint standing committee of the  
3130 General Assembly having cognizance of matters relating to energy, of  
3131 the findings of such docket, including any recommended legislative  
3132 changes necessary to implement such measures.

3133 Sec. 55. Subsection (i) of section 16-262w of the general statutes is  
3134 repealed and the following is substituted in lieu thereof (*Effective from*  
3135 *passage*):

3136 (i) The amount of the WICA applied between general rate case  
3137 filings shall not exceed [seven and one-half] ten per cent of the water  
3138 company's annual retail water revenues approved in its most recent  
3139 rate filing, and shall not exceed five per cent of such revenues for any  
3140 twelve-month period. The amount of the adjustment shall be reset to  
3141 zero as of the effective date of new base rates approved pursuant to  
3142 section 16-19 and shall be reset to zero if the company exceeds the  
3143 allowable rate of return by more than one hundred basis points for any  
3144 calendar year.

3145 Sec. 56. Section 16-32f of the 2012 supplement to the general statutes  
3146 is repealed and the following is substituted in lieu thereof (*Effective*  
3147 *from passage*):

3148 [(a)] On or before October first of each even-numbered year, a gas  
3149 company, as defined in section 16-1, shall furnish a report to the Public  
3150 Utilities Regulatory Authority containing a five-year forecast of loads  
3151 and resources. The report shall describe the facilities and supply  
3152 sources that, in the judgment of such gas company, will be required to  
3153 meet gas demands during the forecast period. The report shall be  
3154 made available to the public and shall be furnished to the chief  
3155 executive officer of each municipality in the service area of such gas  
3156 company, the regional planning agency which encompasses each such  
3157 municipality, the Attorney General, the president pro tempore of the  
3158 Senate, the speaker of the House of Representatives, the joint standing



3159 committee of the General Assembly having cognizance of matters  
3160 relating to public utilities, any other member of the General Assembly  
3161 making a request to the authority for the report and such other state  
3162 and municipal entities as the authority may designate by regulation.  
3163 The report shall include: (1) A tabulation of estimated peak loads and  
3164 resources for each year; (2) data on gas use and peak loads for the five  
3165 preceding calendar years; (3) a list of present and projected gas supply  
3166 sources; (4) specific measures to control load growth and promote  
3167 conservation; and (5) such other information as the authority may  
3168 require by regulation. A full description of the methodology used to  
3169 arrive at the forecast of loads and resources shall also be furnished to  
3170 the authority. The authority shall hold a public hearing on such reports  
3171 upon the request of any person. On or before August first of each odd-  
3172 numbered year, the authority may request a gas company to furnish to  
3173 the authority an updated report. A gas company shall furnish any such  
3174 updated report not later than sixty days following the request of the  
3175 authority.

3176 [(b) Not later than October 1, 2005, and annually thereafter, a gas  
3177 company, as defined in section 16-1, shall submit to the Public Utilities  
3178 Regulatory Authority a gas conservation plan, in accordance with the  
3179 provisions of this section, to implement cost-effective energy  
3180 conservation programs and market transformation initiatives. All  
3181 supply and conservation and load management options shall be  
3182 evaluated and selected within an integrated supply and demand  
3183 planning framework. Services provided under the plan shall be  
3184 available to all gas company customers. Each gas company shall apply  
3185 to the Energy Conservation Management Board for reimbursement for  
3186 expenditures pursuant to the plan. The authority shall, in an  
3187 uncontested proceeding during which the authority may hold a public  
3188 hearing, approve, modify or reject the plan.

3189 (c) (1) The Energy Conservation Management Board shall advise  
3190 and assist each such gas company in the development and  
3191 implementation of the plan submitted under subsection (b) of this  
3192 section. Each program contained in the plan shall be reviewed by each

3193 such gas company and shall be either accepted, modified or rejected by  
3194 the Energy Conservation Management Board before submission of the  
3195 plan to the authority for approval. The Energy Conservation  
3196 Management Board shall, as part of its review, examine opportunities  
3197 to offer joint programs providing similar efficiency measures that save  
3198 more than one fuel resource or to otherwise coordinate programs  
3199 targeted at saving more than one fuel resource. Any costs for joint  
3200 programs shall be allocated equitably among the conservation  
3201 programs.

3202 (2) Programs included in the plan shall be screened through cost-  
3203 effectiveness testing that compares the value and payback period of  
3204 program benefits to program costs to ensure that the programs are  
3205 designed to obtain gas savings whose value is greater than the costs of  
3206 the program. Program cost-effectiveness shall be reviewed annually by  
3207 the authority, or otherwise as is practicable. If the authority determines  
3208 that a program fails the cost-effectiveness test as part of the review  
3209 process, the program shall either be modified to meet the test or be  
3210 terminated. On or before January 1, 2007, and annually thereafter, the  
3211 board shall provide a report, in accordance with the provisions of  
3212 section 11-4a, to the joint standing committees of the General  
3213 Assembly having cognizance of matters relating to energy and the  
3214 environment, that documents expenditures and funding for such  
3215 programs and evaluates the cost-effectiveness of such programs  
3216 conducted in the preceding year, including any increased cost-  
3217 effectiveness owing to offering programs that save more than one fuel  
3218 resource.

3219 (3) Programs included in the plan may include, but are not limited  
3220 to: (A) Conservation and load management programs, including  
3221 programs that benefit low-income individuals; (B) research,  
3222 development and commercialization of products or processes that are  
3223 more energy-efficient than those generally available; (C) development  
3224 of markets for such products and processes; (D) support for energy use  
3225 assessment, engineering studies and services related to new  
3226 construction or major building renovations; (E) the design,

3227 manufacture, commercialization and purchase of energy-efficient  
3228 appliances, air conditioning and heating devices; (F) program planning  
3229 and evaluation; (G) joint fuel conservation initiatives and programs  
3230 targeted at saving more than one fuel resource; and (H) public  
3231 education regarding conservation. Such support may be by direct  
3232 funding, manufacturers' rebates, sale price and loan subsidies, leases  
3233 and promotional and educational activities. The plan shall also provide  
3234 for expenditures by the Energy Conservation Management Board for  
3235 the retention of expert consultants and reasonable administrative costs,  
3236 provided such consultants shall not be employed by, or have any  
3237 contractual relationship with, a gas company. Such costs shall not  
3238 exceed five per cent of the total cost of the plan.]

3239 Sec. 57. Section 16a-3e of the 2012 supplement to the general statutes  
3240 is repealed and the following is substituted in lieu thereof (*Effective*  
3241 *from passage*):

3242 (a) The [integrated resources plan] Integrated Resources Plan,  
3243 developed pursuant to section 16a-3a, to be adopted in 2012 and  
3244 annually thereafter, shall (1) indicate specific options to reduce the  
3245 price of electricity. Such options may include the procurement of new  
3246 sources of generation. In the review of new sources of generation, the  
3247 [integrated resources plan] Integrated Resources Plan shall indicate  
3248 whether the private wholesale market can supply such additional  
3249 sources or whether state financial assistance, long-term purchasing of  
3250 electricity contracts or other interventions are needed to achieve the  
3251 goal; (2) analyze in-state renewable sources of electricity in comparison  
3252 to transmission line upgrades or new projects and out-of-state  
3253 renewable energy sources, provided such analysis also considers the  
3254 benefits of additional jobs and other economic impacts and how they  
3255 are created and subsidized; (3) include an examination of average  
3256 consumption and other states' best practices to determine why  
3257 electricity rates are lower elsewhere in the region; (4) assess and  
3258 compare the cost of transmission line projects, new power sources,  
3259 renewable sources of electricity, conservation and distributed  
3260 generation projects to ensure the state pursues only the least-cost

3261 alternative projects; (5) continually monitor supply and distribution  
3262 systems to identify potential need for transmission line projects early  
3263 enough to identify alternatives; and (6) assess the least-cost alternative  
3264 to address reliability concerns, including, but not limited to, lowering  
3265 electricity demand through conservation and distributed generation  
3266 projects before an electric distribution company submits a proposal for  
3267 transmission lines or transmission line upgrades to the independent  
3268 system operator or the Federal Energy Regulatory Commission,  
3269 provided no provision of such plan shall be deemed to prohibit an  
3270 electric distribution company from making any filing required by law  
3271 or regulation.

3272 (b) If, on and after July 1, 2012, the 2012 [integrated resources plan]  
3273 Integrated Resources Plan or any subsequent plan contains an option  
3274 to procure new sources of generation, the Department of Energy and  
3275 Environmental Protection shall pursue the most cost-effective  
3276 approach. If the department seeks new sources of generation, it shall  
3277 issue a notice of interest for generation without any financial  
3278 assistance, including, but not limited to, long-term contract financing  
3279 or ratepayer guarantees. If the department fails to receive any  
3280 responsive cost-effective proposal, it shall issue a request for proposals  
3281 that may include such financial assistance.

3282 (c) On or before February 1, 2012, the department shall report to the  
3283 joint standing committee of the General Assembly having cognizance  
3284 of matters relating to energy regarding state policy and legislative  
3285 changes the department feels would most likely lower the state's  
3286 electricity rates.

3287 Sec. 58. Section 22a-5 of the 2012 supplement to the general statutes  
3288 is repealed and the following is substituted in lieu thereof (*Effective*  
3289 *from passage*):

3290 The commissioner shall carry out the energy and environmental  
3291 policies of the state and shall have all powers necessary and  
3292 convenient to faithfully discharge this duty. In addition to and

3293 consistent with the environment policy of the state, the commissioner  
3294 shall (1) promote and coordinate management of water, land and air  
3295 resources to assure their protection, enhancement and proper  
3296 allocation and utilization; (2) provide for the protection and  
3297 management of plants, trees, fish, shellfish, wildlife and other animal  
3298 life of all types, including the preservation of endangered species; (3)  
3299 provide for the protection, enhancement and management of the  
3300 public forests, parks, open spaces and natural area preserves; (4)  
3301 provide for the protection, enhancement and management of inland,  
3302 marine and coastal water resources, including, but not limited to,  
3303 wetlands, rivers, estuaries and shorelines; (5) provide for the  
3304 prevention and abatement of all water, land and air pollution  
3305 including, but not limited to, that related to particulates, gases, dust,  
3306 vapors, noise, radiation, odors, nutrients and cooled or heated liquids,  
3307 gases and solids; (6) provide for control of pests and regulate the use,  
3308 storage and disposal of pesticides and other chemicals which may be  
3309 harmful to man, sea life, animals, plant life or natural resources; (7)  
3310 regulate the disposal of solid waste and liquid waste, including but not  
3311 limited to, domestic and industrial refuse, junk motor vehicles, litter  
3312 and debris, which methods shall be consistent with sound health,  
3313 scenic environmental quality and land use practices; (8) regulate the  
3314 storage, handling and transportation of solids, liquids and gases which  
3315 may cause or contribute to pollution; (9) provide for minimum state-  
3316 wide standards for the mining, extraction, excavation or removal of  
3317 earth materials of all types; (10) develop a [comprehensive energy  
3318 plan] Comprehensive Energy Strategy for the state; (11) transition the  
3319 state to cleaner, more diverse and sustainable sources of energy; and  
3320 (12) create opportunities for innovation and technological advances in  
3321 conserving energy and reducing costs.

3322 Sec. 59. Subsection (e) of section 16-244t of the 2012 supplement to  
3323 the general statutes is repealed and the following is substituted in lieu  
3324 thereof (*Effective from passage*):

3325 (e) An electric distribution company shall be entitled to recover its  
3326 reasonable costs and fees prudently incurred through compliance with

3327 its approved procurement plan through a reconciling, nonbypassable  
3328 component of electric rates as determined by the authority. Nothing in  
3329 this section shall preclude the resale or other disposition of energy or  
3330 associated renewable energy credits purchased by the electric  
3331 distribution company, provided the distribution company shall net the  
3332 cost of payments made to projects under the contracts against the  
3333 proceeds of the sale of energy or renewable energy credits and the  
3334 difference shall be credited or charged to distribution customers  
3335 through a reconciling component of electric rates as determined by the  
3336 authority that is nonbypassable when switching electric suppliers.

3337 Sec. 60. (*Effective from passage*) The Department of Energy and  
3338 Environmental Protection shall conduct a study concerning policies for  
3339 natural gas line extension and natural gas retail choice. The  
3340 department shall also study methods to develop programs to increase  
3341 the efficiency of heating oil equipment. Such study shall include, but  
3342 not be limited to, an analysis of the cost-effectiveness of such  
3343 expansion and programs and the issues concerning natural gas retail  
3344 choice. On or before January 1, 2013, the department shall report, in  
3345 accordance with the provisions of section 11-4a of the general statutes,  
3346 the findings of such study to the joint standing committee of the  
3347 General Assembly having cognizance of matters relating to energy.

3348 Sec. 61. (*Effective from passage*) The Department of Energy and  
3349 Environmental Protection shall conduct a study, in consultation with  
3350 the Department of Consumer Protection, to identify barriers to  
3351 participation by heating oil dealers in providing other energy services,  
3352 including, but not limited to, the installation of nonpetroleum-based  
3353 energy equipment. On or before January 1, 2013, the department shall  
3354 report, in accordance with the provisions of section 11-4a of the general  
3355 statutes, the findings of such study and identify such barriers to the  
3356 joint standing committee of the General Assembly having cognizance  
3357 of matters relating to energy.

3358 Sec. 62. (*Effective from passage*) The Department of Energy and  
3359 Environmental Protection shall conduct a study to review the existing

3360 renewable portfolio standards, established in section 16-245a of the  
3361 general statutes, and identify methods to maximize participation of in-  
3362 state resources in meeting such standards, including, but not limited  
3363 to, permitting the use of combined heat and power systems, zero  
3364 emission vehicles and energy conservation programs and providing  
3365 incentives for Class I resources located in the state. Such study shall  
3366 compare the benefits, including, but not limited to, economic  
3367 development, environmental and energy benefits, and the costs of each  
3368 such method of participation. On or before January 1, 2013, the  
3369 department shall report, in accordance with the provisions of section  
3370 11-4a of the general statutes, the findings of such study to the joint  
3371 standing committee of the General Assembly having cognizance of  
3372 matters relating to energy.

3373       Sec. 63. (NEW) (*Effective from passage*) On or before January 1, 2013,  
3374 the Public Utilities Regulatory Authority shall conduct a proceeding to  
3375 establish rates that would promote the use of geothermal systems.

3376       Sec. 64. Subparagraph (A) of subdivision (1) of subsection (a) of  
3377 section 16-50p of the general statutes is repealed and the following is  
3378 substituted in lieu thereof (*Effective July 1, 2012*):

3379       (A) Not later than twelve months after the deadline for filing an  
3380 application following the request for proposal process for a facility  
3381 described in subdivision (1) or (2) of subsection (a) of section 16-50i or  
3382 subdivision (4) of [said] subsection (a) of section 16-50i if the  
3383 application was incorporated in an application concerning a facility  
3384 described in subdivision (1) of [said] subsection (a) of section 16-50i,  
3385 provided if the Connecticut Energy Advisory Board votes not to issue  
3386 a request for proposal, the council's decision shall be rendered not later  
3387 than twelve months from the date of such vote and the council may  
3388 extend such period by up to one hundred eighty days with the consent  
3389 of the applicant;

3390       Sec. 65. Section 16-243v of the general statutes is amended by  
3391 adding subsection (k) as follows (*Effective from passage*):

3392 (NEW) (k) (1) As used in this subsection:

3393 (A) "Eligible residential customer" means any residential customer  
3394 of an electric distribution company, as defined in section 16-1, with an  
3395 ownership interest in such customer's dwelling; and

3396 (B) "Program loan" means any loan approved by an electric  
3397 distribution company pursuant to this subsection that is funded by the  
3398 systems benefits charge as a program under the Connecticut electric  
3399 efficiency partner program established pursuant to this section.

3400 (2) On or before July 1, 2012, each electric distribution company  
3401 shall establish and administer a residential customer heating furnace  
3402 and boiler and electric heating system equipment replacement and  
3403 augmentation program to assist eligible residential customers in  
3404 financing the replacement or augmentation of any heating furnace or  
3405 boiler or electric heating system equipment for any such customer's  
3406 dwelling or dwelling unit. On or before July 1, 2012, each such  
3407 company shall apply to the authority for initial funding of such  
3408 program. Each such company shall establish program requirements  
3409 necessary for approval of any loan issued pursuant to such program,  
3410 including requirements that:

3411 (A) The total projected direct cost savings to any eligible residential  
3412 customer resulting from the replacement or augmentation of any  
3413 heating furnace, boiler or electric heating system equipment, or any  
3414 associated component of such electric heating system, including  
3415 ductless heat pumps, which shall be calculated on an annual basis  
3416 commencing from the month that such replacement or augmented  
3417 furnace, boiler or electric heating system equipment is projected to be  
3418 in service, shall be greater than the total cost of the financing over the  
3419 term of the program loan;

3420 (B) The program loan shall not exceed ninety per cent of the total  
3421 installed cost of the replacement or augmented heating furnace, boiler  
3422 or electric heating system equipment;



3423 (C) The term of any program loan is the lesser of (i) the simple  
3424 payback of the program loan plus two years, or (ii) twelve years,  
3425 provided for any eligible residential customer converting from electric  
3426 heating system equipment to a heating furnace or boiler the term of  
3427 any program loan may be not more than twenty years if such  
3428 conversion, as determined by such company, is more suitable than the  
3429 installation of ductless heat pumps;

3430 (D) The efficiency rating of any replacement furnace, boiler or  
3431 electric heating system equipment financed pursuant to this subsection  
3432 shall meet or exceed federal Energy Star standards and each such  
3433 company shall inform each applicant of any incentive available to  
3434 defray the cost of equipment that exceeds such standards;

3435 (E) Any program loan to an eligible residential customer converting  
3436 from electric heating equipment to a heating furnace or boiler may  
3437 include the cost of any infrastructure upgrades necessary for use of  
3438 such furnace or boiler, provided the total amount of such program  
3439 loan does not exceed twenty-five thousand dollars;

3440 (F) Each applicant shall have a Home Energy Solutions or Home  
3441 Energy Solutions Income Eligible audit performed at such applicant's  
3442 home not more than twenty-four months prior to the approval of any  
3443 program loan, except such audit may be performed after the approval  
3444 of such loan if such applicant's heating system is not operational. Any  
3445 program loan may include the cost of the purchase and installation of  
3446 insulation recommended in such audit but shall not cover the cost of  
3447 any benefit or service available to such applicant for no charge through  
3448 the Home Energy Solutions or Home Energy Solutions Income Eligible  
3449 programs; and

3450 (G) The total amount of new program loans and administrative  
3451 costs of the program shall not exceed thirty million dollars in any  
3452 calendar year.

3453 (3) Any eligible residential customer may apply to the customer's  
3454 electric distribution company to participate in such program. Such

3455 company shall only approve applications that meet the approved  
3456 program requirements established pursuant to subdivision (2) of this  
3457 subsection. Such company shall develop requirements for the credit  
3458 worthiness and eligibility of applicants to such program and shall  
3459 submit such requirements to the Commissioner of Energy and  
3460 Environmental Protection for approval prior to initiating any such  
3461 program. Such company shall seek to maximize, to the extent  
3462 practicable, participation in the program.

3463 (4) Each eligible residential customer participating in such program  
3464 shall enter into a contract to repay the program loan through a  
3465 monthly charge on such customer's electric bill. Such program loan  
3466 repayment shall include the principal payment and the loan carrying  
3467 cost fee. Such carrying cost fee shall be one per cent of the total loan  
3468 amount. Any program loan repayment shall be credited to the systems  
3469 benefits charge. Any reasonable and prudent cost incurred by an  
3470 electric distribution company administering such program shall be  
3471 recovered through the systems benefits charge. The cost of covering  
3472 any program loan that is not fully repaid by any such customer shall  
3473 be considered a cost incurred by such company in administering such  
3474 program.

3475 (5) Each eligible residential retail end use customer participating in  
3476 such program who defaults on any program loan shall be subject to  
3477 termination of electric service by the electric distribution company  
3478 administering the program, provided such termination of service does  
3479 not violate any provision of section 16-262c, except such termination  
3480 shall not apply to (1) any customer with a household member who is at  
3481 least sixty years old and whose income and assets do not exceed the  
3482 limits for eligibility in any energy assistance program administered  
3483 pursuant to section 16-41a, or (2) any customer that rents such  
3484 customer's dwelling.

3485 (6) Any program loan shall be included in the program loan  
3486 recipient's residential electric service account for the premises on  
3487 which any replacement furnace, boiler or electric heating system

3488 component is located and shall be transferable to subsequent electric  
3489 service account holders, provided any such subsequent electric service  
3490 account holder, prior to contracting to acquire the premises, has  
3491 written notice of such loan, in language such subsequent account  
3492 holder understands, that meets the plain language standards of section  
3493 42-152, and includes the following information: (A) That such  
3494 subsequent account holder is liable for the loan during such  
3495 subsequent account holder's occupancy of the premises, (B) the  
3496 amount of monthly loan payments, (C) that the loan shall be collected  
3497 through a monthly electric bill specifying the month the loan is to be  
3498 repaid, (D) that the loan payment is in addition to any charges for  
3499 electric service, and (E) that failure to make any monthly loan payment  
3500 may result in termination of electric service, except if (i) such  
3501 subsequent account holder has a household member who is at least  
3502 sixty years old and a household income and assets that do not exceed  
3503 the limits for eligibility for any energy assistance program  
3504 administered pursuant to section 16a-41a, or (ii) such subsequent  
3505 account holder is renting the premises. Each electric distribution  
3506 company shall be entitled to take such action as required to secure the  
3507 amount of a program loan, including, but not limited to, attaching  
3508 liens and requiring filings to be made on applicable land records or as  
3509 otherwise necessary or required.

3510 (7) For the purpose of any energy assistance program administered  
3511 pursuant to section 16a-41a, a loan recipient's monthly loan obligations  
3512 under the program administered pursuant to this subsection shall be  
3513 considered (A) primary heat deliverable fuel costs if such recipient's  
3514 household's primary heat source is a deliverable fuel, or (B) the cost of  
3515 primary heat utility service if such recipient's household's primary  
3516 heat source is provided by an electric distribution or gas company, and  
3517 shall be eligible for benefit coverage. If such loan recipient's primary  
3518 heating source is provided by a gas company or a deliverable fuel  
3519 source, such loan recipient shall determine the portion of any energy  
3520 assistance basic benefit to be applied to such loan recipient's electric  
3521 bill for loan repayment and the portion to be applied to such loan

3522 recipient's primary heating source provider. If a loan recipient's  
 3523 primary heating source is provided by a gas company, the energy  
 3524 assistance program administrator shall notify such company of the  
 3525 amount of energy assistance basic benefit applied to such loan  
 3526 recipient's electric distribution company for loan repayment and such  
 3527 electric distribution company shall notify such gas company of any  
 3528 payment made by or on behalf of such gas customer that is applied to  
 3529 the loan repayment.

3530 (8) For the purpose of any electric distribution company or gas  
 3531 company payment program deduction for any program administered  
 3532 pursuant to subdivision (4), (5) or (6) of subsection (b) of section 16-  
 3533 262c, any monthly loan payment made under the loan program  
 3534 established pursuant to this subsection shall be considered an energy  
 3535 assistance payment made to the company providing the primary  
 3536 heating source to such loan recipient.

3537 Sec. 66. Sections 16-2c, 16-244n, 16a-40l and 16a-41i of the 2012  
 3538 supplement to the general statutes are repealed. (*Effective July 1, 2012*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2012</i>	16-2(f)
Sec. 2	<i>from passage</i>	16-19ff
Sec. 3	<i>from passage</i>	16-6b
Sec. 4	<i>July 1, 2012</i>	16-7
Sec. 5	<i>July 1, 2012</i>	16-245m(c)
Sec. 6	<i>from passage</i>	16-245m(d)
Sec. 7	<i>July 1, 2012</i>	16-244c(i)
Sec. 8	<i>July 1, 2012</i>	16-244c(l)
Sec. 9	<i>July 1, 2012</i>	16-245d(a)
Sec. 10	<i>July 1, 2012</i>	16-41(a)
Sec. 11	<i>July 1, 2012</i>	16-244c(c)(3)
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	16-244u
Sec. 14	<i>from passage</i>	16-5
Sec. 15	<i>from passage</i>	New section

Sec. 16	<i>from passage</i>	16-49(a)
Sec. 17	<i>from passage</i>	16-8
Sec. 18	<i>from passage</i>	16-245y(a)
Sec. 19	<i>from passage</i>	16-245y(c)
Sec. 20	<i>July 1, 2012</i>	16-244m(b)
Sec. 21	<i>from passage</i>	16-2(c)
Sec. 22	<i>July 1, 2012</i>	16-2(g)
Sec. 23	<i>from passage</i>	16-244m(a)
Sec. 24	<i>from passage</i>	16-244m(d)
Sec. 25	<i>from passage</i>	16a-3d
Sec. 26	<i>from passage</i>	16a-3a
Sec. 27	<i>July 1, 2012</i>	New section
Sec. 28	<i>from passage</i>	16-244c(j)(2)
Sec. 29	<i>from passage</i>	16-245n
Sec. 30	<i>from passage</i>	PA 11-80, Sec. 103
Sec. 31	<i>from passage</i>	16-244r(b)
Sec. 32	<i>from passage</i>	16-244s
Sec. 33	<i>from passage</i>	16-244t(b)
Sec. 34	<i>from passage</i>	16a-37u
Sec. 35	<i>from passage</i>	16-244v(a)
Sec. 36	<i>from passage</i>	16a-46h
Sec. 37	<i>from passage</i>	16a-46i
Sec. 38	<i>from passage</i>	12-217mm
Sec. 39	<i>from passage</i>	New section
Sec. 40	<i>from passage</i>	New section
Sec. 41	<i>from passage</i>	7-121n(a)(2)
Sec. 42	<i>July 1, 2012</i>	16-19b(h)
Sec. 43	<i>July 1, 2012</i>	16-18a
Sec. 44	<i>July 1, 2012</i>	16-8a(c)(1)
Sec. 45	<i>July 1, 2012</i>	16-19kk(b)
Sec. 46	<i>July 1, 2012</i>	New section
Sec. 47	<i>July 1, 2012</i>	New section
Sec. 48	<i>July 1, 2012</i>	New section
Sec. 49	<i>July 1, 2012</i>	32-141(a)(2)
Sec. 50	<i>from passage</i>	1-79(l)
Sec. 51	<i>from passage</i>	1-120(1)
Sec. 52	<i>from passage</i>	1-124
Sec. 53	<i>from passage</i>	1-125
Sec. 54	<i>from passage</i>	New section
Sec. 55	<i>from passage</i>	16-262w(i)

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Sec. 56	<i>from passage</i>	16-32f
Sec. 57	<i>from passage</i>	16a-3e
Sec. 58	<i>from passage</i>	22a-5
Sec. 59	<i>from passage</i>	16-244t(e)
Sec. 60	<i>from passage</i>	New section
Sec. 61	<i>from passage</i>	New section
Sec. 62	<i>from passage</i>	New section
Sec. 63	<i>from passage</i>	New section
Sec. 64	<i>July 1, 2012</i>	16-50p(a)(1)(A)
Sec. 65	<i>from passage</i>	16-243v
Sec. 66	<i>July 1, 2012</i>	Repealer section